Hollywood

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London, Monday, June 1, 1998

## India Seeking to Calm Asian Nuclear Tension

## It Repeats Call for a No-First-Use Accord

NEW DELHI — India tried to cool regional tensions Sunday, repeating its call for a no-first-use weapons pact with Pakistan and a oew global convention for noclear disarmament.

India also strongly denied a Pakistani allegation on Sunday that it

planned a new round of nuclear explosions, insisting it stood by a oewly declared moratorium.

For its part, Pakistan tried to assuage global concerns about a runaway arms race in Sooth Asia

Later, an Indian Foreign Ministry spokesman said that an official at its embassy in Islamabad had been attacked and badly beaten and that New Delhi had summooed Pakistan's ambassador to protest. The spokesman said the incident "had very disturbing connotations and was entirely unacceptable."

Earlier, India took a swipe at the UN Security Couocil for making "several unwarranted references" to India in its reaction to the tit-for-tat ouclear tests carried oot by Islamabad oo Thursday and Saturday.

"We are astonished that the council orges India oot to cooduct any further tests," the Ministry of External Affairs said in a statement. "The prime minister has repeatedly stated that India will observe a voluntary moratorium

and refrain from cooducting tests." Prime Minister Atal Behari Vajpayee said after India cooducted its first underground ouclear blasts in 24 years - a total of five on May 11 and May 13 — that India was willing to hold talks with other nations to form-

alize a oew moratorium. The Indian Foreign Ministry urged multilateral involvement in establishing a new Nuclear Weapons Convection along the lines of pacts to ban chemical and hiological arms to deal with ouclear weapons in "a global noodiscriminatory framework."

India has kept out of the Nuclear Nooproliferation Treaty, which it says legitimizes ouclear arms in the hands of a few nations but forces others to renounce the option to build them.

It also refused to sign the Comprehensive Test Ban Treaty in 1996, arguing that it would permit the five powers to perfect their arms with nonexplosive techniques like computer simulation, while holding others in check.
India complains that neither treaty commits the five powers to disarm

within a specified time. The Pakistani foreign minister, Gohar Ayub Khan, accused India in an American television interview of planning a oew round of tests that could

further escalate their arms race. In an interview for the CNN program "Late Edition." Mr. Khan said he had received credible information that India was preparing a site in its eastern state of Orissa for a test in "the first or second week of Joly".

But an Indian government spokesman said there were no such plans. "Not only are there no plans but this is absurd," he said, when asked to react to Mr. Khan's comments.

The Indian defense minister, George Fernandes, said in an interview to be broadcast Monday that India needed oo more testing, but he was ambiguous in his reply on whether more could still

See INDIA, Page 4



Pakistanis greeting a garlanded Samar Mubarak, leader of the team that conducted nuclear tests, on Sunday.

## For Pakistan, a Symbol of Security

By John Kifner New York Times Service

ISLAMABAD, Pakistan Pakistan's ouclear scientists were draped in flowers and hailed as oational heroes Sunday as they returned here from the Baluchistan Desert where they had set off atomic explo-sions that drew condemnation from around the world.

The decision — despite the threat of sanctions — to match the nuclear tests this mooth of Pakistan's archrival, In-

dia, and the euphoria that has gripped this country in the last few days can only be understood in terms of the hlood feud that has preoccupied Pakistan for its half-ceotury of exist-

"There is a compet-ANALYSIS itive, complex and deep sense of insecurity about India," Eqbal Ahmed, a Pakistani scholar, said Sunday, "and nuclear weapons have become a symbol of security and competition with

The rise of Hindu nationalists to power in India worsened tensions over the key flash point — the disputed territory of Kashmir —and led to the Indian ooclear tests earlier this month. But even in this cootext, Prime Minister Mian Nawaz Sharif's decisioo to go ahead with Pakistan's own tests came about through a complex inter-play of pressures from within his government, the desires of the military and scientists, political rivalries and the Is-

#### See PAKISTAN, Page 4

## Earthquake Relief Rushed to Afghans

#### At Least 3,000 Are Believed Dead in 'Completely Flattened' Villages

to bring help to a remote mountainous region of corthern Afghanistan devast-

ated by a powerful earthquake that killed at least 3,000 people. "The destruction was quite amazing," the United Nations Coordinator for Afghanistan, Alfredo Witschi-Ce-

stari, said return from Shar-i-Buzurg, the most seriously affected area. the most seriously affected area.

"We saw a couple of villages that had been completely flattened, but there are probably more," he said. "This is a mountainous region, and the force of the earthqoake sent houses crashing down hillsides toward the valley below."

A UN official in Faizabad said that at least 2,500 had died after Saturday's

least 2,500 had died after Saturday's temblor, but that the toll would rise as reports of massive devastatioo were

pouring in from surrounding areas. Relief workers at nearby Rostak said 3,000 people had already been buried in

Aid agencies were skeptical of earlier claims of up to 5,000 dead by the Afghan oppositioo, which is waging a civil war against the Islamic Taleban militia.

The Taleban swept to power after seizing the capital, Kabul, in September 1996, but its opponents still control parts of the corth. The quake measured 7.1 oo the opeo-

ended Richter scale and destroyed nearly 60 villages in the same remote region where at least 4,000 people died in a similar disaster in February.

The UN said that the population of the

entire regioo was thought to be 60,000 and that half of the population lost their

By late Sunday, the weather in Fa-izabad turned cloudy and cold. Aid workers feared the area may get socked in, making it difficult to get supplies into

FAIZABAD, Afghanistan — Intertional aid workers scrambled Sunday

the 36 hours since the quake, which flattened scores of villages and caused tainous area, 45 miles (72 kilometers) whole hillsides to collapse.

The quake was centered in a mountainous area, 45 miles (72 kilometers) west of Faizabad, the capital of Badakhshan province.

The United Nations and humanitarian agencies have launched a major rescue operatioo to provide assistance to the homeless.

"I think this is going to be worse than February for three reasons," Mr. Witschi-Cestari said.

"The magnitude of this earthquake is greater, a lot of houses were already badly damaged from the previous quake, and the affected area is larger," he said.
Aid workers traveling in the Russian built MI-8 helicopter spoke of one vil-lage being completely flattened, with homeless survivors huddling amid the

ruhble in makeshift tents. By late Sunday, fears were mounting as the weather worsened, with heavy rain, flooding, potential landslides and low

See QUAKE, Page 4

#### AGENDA

#### Less Zesty? 'Ginger' **Quits the Spice Girls**

The Associated Press

LONDON -- Geri Halliwell announced Sunday that she was leaving the Spice Girls, but the all-female British pop group said they woold keep oo singing with four Spices. Ms. Halliwell, also known as Gin-

ger Spice, cited 'differences between us.' 'I'm sure the group will continue to be successful, and I wish them all the best, P.S. I'll be back," she said

in a statement read by her lawyer. Reports that all was not well in Spiceworld surfaced Wednesday after Ms. Halliwell failed to appear with the group at a televised National Lottery Draw. She also missed concerts in

Oslo on Thursday and Friday night. Emma Bunton (Baby Spice), Victoria Adams (Posh Spice), Melanie Chisholm (Sporty Spice) and Melanie Brown (Scary Spice) said the group's U.S. tour, which starts June 14, would not be affected.



Geri Halliwell singing at a Spice Girls concert in Glasgow in April.

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The IHT on-line v/ww.iht.com

## U.S. to Back New Loans To Prop Up The Ruble

Clinton Sees Lending By Aid Agencies as **Underpinning Stability** 

By David Sange

New York Times Server WASHINGTON — President Bill Clinton, fearing a meltdown of the ruble that could threaten the stability of the Russian government, said Sunday that the United States would support new international financial support for Russia if it is unable to meet is short-term

Mr. Clinton's statement, after a week in which investors fled the ruble, appeared to pave the way for a financial bailont of Russia by the International

Monetary Fund.
While U.S. officials refused to talk about the size of any new program, or wheo it might begin, analysts say Russia could require at least \$10 billion to make up for huge shortfalls in oil revenue and tax collection.

If an emergency package is required, it would mark the fourth time in nine mooths that the IMF has been called in to cohble together a bailout plan in the face of market panic. The Fund is already administering huge loan programs in Thailand, Indonesia and South

Mr. Clinton's statement was released by the White House and a frenzied series of meetings an that included discussions, the color with the included discussions, thereo Mr. Clintoo and President Boris Yeltsin, Vice President Al Gore and Prime Minister Sergei Kiriyenko, as well as a visit to the U.S. Treasury by Anatoli Chubais, the former Russian deputy prime minister and one of the chief architects of its economic reforms.

The statement was clearly timed to

The statement was clearly timed to precede the opening of markets in Asia and then in Moscow. But Mr. Clinton's statement was vague. It said simply that the United States would endorse "additional conditional financial support from the international financial institutions, as oecessary, to promote stahility and structural reform in Russia."

A senior U.S. official said Sunday that Washingtoo did not endorse direct support to Moscow, of the kind it provided to Mexico during the 1995 peso crisis. Instead, the aid would flow through the IMF and the World Bank, where the United States provides a little less than a fifth of the funds.

"It is too early to know amounts or precise methods," the official said, "which will depend very much on how the situation evolves.

In the case of Mexico and the Asian crisis, Washington's interests were primarily economic: stopping a "contagion effect" that could lead investors to flee emerging markets around the world. American officials say they have

See LOANS, Page 21

## China's New Go-Getters

#### Laid-Off Workers Cope by Starting Businesses

By Erik Eckholm New York Times Service

YICHANG, China — Sitting in his storefront shop beneath a karaoke bar, surrounded by tall blackboards listing joh openings, Fu Xuanrong could be a government model for the new era of worker layoffs, for he embodies the official dream of how laidoff workers

should cope.
Like tens of millions of other Chinese, Mr. Fu was sent home for good from a state-owned enterprise, in his case two years ago from the bankrupt steel mill that had been this Yangtze River city's biggest employer. But instead of languishing on welfare or demonstrating in the streets, Mr. Fu, 40, took it on himself to create his own new niche, becoming a

sidewalk job-broker. "I am serving as a bridge to the new economy," said Mr. Fu, revealing, with his politically correct choice of words,

that he has political wits, too. "What I am doing is a good example f China's economic reforms: It serves the people, it helps the whole world economy and it also shows the correctness of Deng Xiaoping Theory," he



said, referring to the mix of capitalism with state planning that was fostered by the late leader and has been declared

official gospel.

Mr. Fu's business is enjoying modest success, but a look through the scores of jobs he has to offer suggests why China still faces a formidable employment problem. "Bookstore sales clerk, under age 30, hours 8 to 6, pay \$36 a month," reads a typical listing. "Restaurant busboy/dishwasher, \$30 a month plus room and board," reads another.

Yes, the wages do tend to be rather low. Mr. Fn allowed. There are so many laidoff workers that they are driving the price down," he said. He insisted that most of the spots will be taken within a few weeks.

Since the pace of layoffs began to See WORKER, Page 21



Fu Xuanrong, a former factory worker, runs a sidewalk job brokerage.

## Karadzic Stays One Step **Ahead of NATO Forces**

By Chris Hedges
New York Times Service

SARAJEVO, Bosnia-Herzegovina - In a region of sleepy white stucco farmhouses, leafy hillsides and dusty back roads in eastern Bosnia, a game of cat and mouse is being played out be-tween Radovan Karadzic, who has heeo indicted on war crimes charges, and special army forces from the United States, Britain and the Netherlands, say North Atlantic Treaty Organization intelligence officers.

Mr. Karadzic, flamboyant wartime leader of the Bosnian Serbs, psychiatrist and amateur poet, is moving daily from one place to another, often just hours ahead of units intent on bringing him to trial at the International Court of Justice at The Hague, the officers said.

The hunt, which NATO commanders vowed they would never conduct when they were first deployed here in December 1995, is for a man who has been stripped of his political power, most of his personal security and his control of hlackmarket enterprises that netted him mil-lions of dollars. His bodyguard, which once numbered 450 men, has melted away and left him dependent on about two dozen followers.

"We often know where he is," said a European military officer. "Or we can find out. The problem is that we have to know where he will be in 12 hours. We can take him, but it will not be a walk in the park. It must be well planned. We don't want a large shoot-oot with civilians caught in the cross-fire. He follows Saddam Hussein's tactic of staying in areas that mean we risk civilian deaths in an attempt to get him."

Mr. Karadzic, who the officials said frequently finds shelter in the properties of the Bosnian Serb Orthodox Church, has set up what a NATO official called "a very sophisticated system of elec-tronic surveillance" to monitor NATO communications. Although any attempt to capture Mr. Karadzic is closely guarded information, NATO needs to inform troops in an area where an arrest might take place to expect "unusoal" activity and to "stay calm."

General Ratko Mladic, the commander of the Bosnian Serb Army during the 1992-95 civil war, and himself indicted on two counts of genocide, has retired to Belgrade, the officials said, and is believed to be writing his memoirs. NATO commanders concede that, for the moment, General Mladic is beyond their reach. But as for Mr. Karadzic, they say, Yugoslavia's president, Slobodan Milo-sevic, who elevated him to prominence

See CREDIT, Page 10



#### East Europeans Buy Into the 'Easy-Credit' Culture Mr. Komuda bought a washing ma-chine on credit last year. Now his 20-buying now and paying later for ev-By Jane Perlez

New York Times Service

WARSAW - On a recent Saturday, Andrzej Komuda, 41, and his fatherin-law, Janusz Lisowski, 69, were on their knees, tape measure in hand, sizing up refrigerators on the sprawling sales floor of the Promenada shopping center here. Rows of television sets flickered in the background as oven doors were opened and shut by picky

Warsaw is in a shopping mode, and many customers are contemplating buying in a new way: on credit, thus fulfilling consumer dreams long denied under communism.

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year-old refrigerator is broken, and he was looking for a replacement.
"Now," he said, "there is an argument in the family about whether to buy this on credit, too.'

Central Europe is still far from the credit binge that enveloped the United States in the 1960s. Although more stores offer installment plans, multipurpose credit cards are virtually But suddenly, Poles, Czechs and

Hungarians, who lived in Communist

societies where interest payments were

considered a capitalist evil and where it

erything from cribs to stereos.

Retail credit grew by 50 percent in

Poland last year, on top of similar growth the year before, and both the Zech Republic and Hungary recorded steady growth in consumer debt, according to Gabor Bognar, a Ceotral Europe analyst at Goldman Sachs & Co. in London.

In stores in the biggest cities, sales counters sprout leaflets describing how to make purchases on credit, and clerks are schooled on how to explain the plans. Both General Motors Corp. and Ford Motor Co. offer auto loans in took years to save up for a televisioo set Poland.

the widening disparity between Eastern Europe's have and have-not economies, like Poland on one hand and Bulgaria and Romania on the other. Here, as in the Czech Republic and Hungary, the middle-class life style is spreading.
But the buying spree has fueled

The boom in consumer debt reflects

trade imbalances as a flood of imports swamps exports. Last year, the trade deficit put such pressure on the Czech currency that officials were forced to devalce, after pledging that was the last thing they would do.

Some months ago the Poles were concerned about their currency, too,

See HUNT, Page 10

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The Blazes of the Chimalapas / An Ancient Forest in Flames

## Mexico Is Powerless to Halt Ecological Disaster

By Molly Moore shington Post Service

AN ANTONIO, Mexico — Antonio Juarez is a foot soldier oo the front lines of firefighter hell. His weapons against southern Mexico's worst fires in a century are a machete and five gallons of water in a rubber backpack. The peasant farmer, 51, charges into burning rubble clad in sandals, a straw cowboy hat and a tattered bandanna.

His futile mission: to help hold back the raging wildfires that are gobbling this natioo's last virgin cloud forest, torching the trees that are home to nesting toucans and quetzals, charring tens of thousands of acres of hunting territory of endangered jaguars and purnas, and creeping beneath the lichen and mosses oo the forest floor to consume the roots

"It's so tragic," said Miguel Angel Garcia of the People of the Southwest Woods, one of the most prominent environmental watchdog groups in southern Mexico. "You can replant a burned pine forest; you can't replace a tropical cloud forest that has taken two thousand years to form."

The fires ravaging this mystical forest, called the Chimalapas, which has been the physical and spiritual reserve of Indians who have lived on its fringes for centuries, are so massive and remote that the authorities could not even count all the blazes until

The smoke from these fires in the southwestern state of Oaxaca, the largest and most uncootrolled in Mexico, has drifted as far north as Wisconsin and South Dakota and across the U.S. Gulf Coast to

The blazes of the Chimalapas - a mountainous subtropical area where under normal cooditions clouds continually linger — not only have sent jungle cats, monkeys and birds fleeing for their lives, hot also have reignited loog-smoldering feuds between the government and environmentalists, between rich landowners and indigenous peasants, and between isolated mountain villages that have been waging agrarian wars for decades

The causes of the blazes, as well as the inability to curb them, involve tales of revenge, government indifference and a national pride that may have led to waiting too long to seek help.

Bot for even the most advanced firefighters, these are oo ordinary fires.

They burn as no other forest fire. Much of the flame is subterranean, disguising the true location of the conflagration. When the fires do burst into the open, they often are obscured by the jungle's thick canopy. That same canopy has prevented water dumped by small helicopters from reaching the flames.

"It's a lot worse than what I had envisioned," said Paul Weedeo, who is coordinating the more than 30 American firefighting experts dispatched last week to assist the Mexicans.

Many of the fires in the Chimalapas are now essentially unreachable. It was only last week, when the U.S. government provided a King Air plane equipped with sensitive infrared sensors that can detect heat beneath the thick veil of smoke, that firefighters discovered the extent of the fires.

Because the cloud forest is such a unique environment — with 22 ecosystems and 62 varieties of reptiles - firefighters have been unable to employ many of the most effective methods of comhating wildfires. There is no "back hurning," set-



Antonio Juarez waging a futile battle in Mexico's last virgin cloud forest. The fires are so remote that the authorities could not even count all of them until last week.

into one large blaze that burns itself out, and oo hulldozers and tractors for building fire breaks. 'We're in an environment that's unique to the

world," said Mike Conrad, a supervisor from the U.S. Forest Service. "We doo't want to lose any more of this than we have to." An estimated 680 hectares (16,800 acres) have

burned since the blazes began. HE arrival of U.S. experts has not been without problems. The Mexican military

officials were sospicious of the infrared heat detectioo system that would be mapping every square mile of the army's most sensitive - the southern state of Chiapas, where Mexico has deployed tens of thousands of troops since the rebel Zapatista uprising in 1994.

After landing at a Chiapas airfield last week, the Americans moved the plane to a more secure airport in a neighboring state for fear that drug traffickers might try to steal it. Environmentalists report more than 230 fires are

now raging across the country, 49 in the Chi-malapas. Since January, Mexico has reported 10,000 blazes nationwide that have devoured an estimated 700,000 acres.

"This is the biggest ecological disaster of this century in Mexico," said Homero Aridjis, one of the nation's most prominent environmental activists. "The government can't control this number of

There are oearly as many accusations over the outbreaks as there are fires. Uoquestionably, it has been an uousually dry year across Latin America. While virtually every state in Mexico is suffering its worst fires in seven decades, environmentalists say around the wildfire; no "herding" of smaller fires | jungles of Oaxaca and Chiapas, where fires like | streets.

these have not been seen in at least a century.

Government officials have laid the hlame for most of the fires oo peasants who use slash-andburn techniques to clear their land for the planting

But the farmers and many eovironmentalists say the fires are the hyproduct of years of government neglect of its poor and indigenous populations. They have been abandoned by the govern-

ment," said Miguel Angel Garcia, an environ-mentalist, "That's why they're obligated to use these agricultural techniques in the year 2000." The regioo flanking the west side of the Chi-malapas has been the site of decades, if not centuries,

Some villages are now accusing rival communides of setting fires to expropriate more of the jungle, or as revenge against oeighbors. In one of the more sinister scenarios, many environmentalists believe developers may have set fires to help bolster their efforts to complete a trans-regional highway through the

#### forest, a project long fought by environmentalists. ■ Mexico City Lifts 4-Day Pollution Alert

Residents of Mexico City breathed a sigh of relief when the authorities lifted a four-day pollution alert after ozooe levels declined to only one and a half times the acceptable limits, The Associated Press

But even as the alert was suspended Saturday, smoke was seen rising from stubborn forest fires in the mountains surrounding the city of 8.5 million.

This week's alert—the longest since 1997—was triggered by smoke from forest fires here and else-

Auto Club in Germany

Assails Europe's Ferries

Reuters

BONN — Germany's automobile association ADAC cootends it has found what it

described as appalling safety deficiencies on many European ferries it inspected at ran-

The ADAC report rated eight of 30 ships that were inspected from March to May as

unsafe, and an additional 17 as oo better than "satisfactory." Passenger safety was coosidered "good" on ooly five ships. The most

serious problems were found on two crosschannel ferries between Britain and France

where, mixed with car and industrial emissions. Under emergency measures, 40 percent of the ting cootrolled fires that consume potential fuel | the blazes are far worse in the normally humid | city's 4.5 million vehicles are hanned from the

# Africans Seek Redress For German Genocide

By Donald G. McNeil Jr. New York Times Service

OKAHANDJA, Namibia - Asked where he got his traditional Herero dress hat, Alexander Tjikuzo, 63, answered, 'My grandfather left it to me."

What is upusual about the old khaki hat with the round gold badge is that it is an imitation of those worn by the German soldiers who from 1904 to 1907 nearly wiped out the Herero tribe, which dominated what is now central Namibia. Locally, Mr. Tjikuzo is said to have one of the snappiest German uniforms the Herero wear oo Red Flag Day and Heroes Day, when they visit the graves of their chiefs here.

It was in this sleepy farm town in 1904 that the Herero finally exploded. For 20 years. German settlers moving inland had been stealing land and cattle, raping women, lynching men with impunity and calling them "baboons" to their faces. When the Herero attacked, they killed all the men, but on the orders of their leader, Samoel Maherero, spared women, children, missionaries and the few English and Afrikaner farmers.

When word reached Kaiser Wilhelm II in Berlin, the counterattack was brutal and quickly expanded into genocide. which some later saw as an ominous porteot of the Holocaust. In a hizarre twist, many racist theories adopted by Hitler were being formed at roughly the same time here by a visiting geneticist.

In this age in which national apo-

logies are demanded, in which President Bill Clinton expressed regret for slavery on a trip to Africa and German leaders have gone down on their knees to Jews and Poles for World War II, the Herero are asking for their turn. Germany seems to be wavering on the edge of apologizing and eveo paying reparations, but the politics of modern Nam-- the former German colony of South-West Africa — complicate mat-

The historical facts are not dispoted. Lieutenant General Lothar von Trotha, notorious for his butchery in German East Africa, was dispatched with 10,000 volunteers and a battle plan,

General von Trotha pushed the Herero guerrillas and their families north to Waterberg and then attacked from three sides, leaving one exit: the Omaheke Desert. When they fled into it, he poisoned the water holes, erected guard posts along a 250-kilometer line and bayoneted everyone who crawled

He then issued the Vernichtungsbefehl, or extermination order: "Within the German borders, every Herero, whether armed or unarmed, with or without cattle, will be shot. I shall not accept any more women or children. I shall drive them back to their people otherwise I shall order shots to be fired

up and sent to labor camps, where they starved or died of overwork, typhus and

By 1907 the order had been deoounced and General von Trotha had

been recalled - but the rebellion had been crushed. Before the war there were 80.000 Herero. In the 1911 census,

15,000 were found Few people outside Southern Africa or Germany have heard of the tribe unless they have read Thomas Pynchoo's govel "Gravity's Rainbow" or seen travel books depicting their un-

usual clothes.

In Mr. Pynchon's 1973 novel, a psychedelic take on World War II during the rain of German rockets oo Londoo, a fictional Herero battalioo called the Schwarzkommando runs rocket batteries in the occupied Netherlands. Historians say they are a figment of Mr. Pynchoo's imagination. The tiny oumbers of heack Germans, most of them desceodants of French African soldiers occupying the Rhineland after World War I, were sterilized under the Third Reich, not drafted.

The unusual clothes are another is-

sue. Alone in Africa, Herero women habitually wear hoop skirts: They silapted their high-waisted dresses and hats that jut out like cattle horns from the wives of Victorian-era missionaries. In holidays they wear versions of the dress in red and black, the colors of Herero nationalism — and of the 19th-campity of the property of the German Empire. Their men wear the German volunteers' uniform.

German diplomats are always invited to Herero celebrations. "We are treated like VIPs and often asked to give the keynote speech," said one diplomat, who confessed that he is baffled by the practice.

The peculiar attraction between the Herero and Germans resembles the one in the Natal regioo of South Africa between the Zulo and British, two other peoples who fought a colonial war.

"It's the respect of a soldier for a soldier," explained Kuaima Riruako paramount chief of the Herero, "We never gave up our army, even during the German period." The chief is a leader in the quest for reparations.

But the links are much closer. Be-cause many Herero women were forcel into sexual slavery to survive after the rebellion, many Herero today have Carman ancestors, and German is widely

Now the Herero are a minor tribe. greatly outnumbered by the northern Ovambo people, who were beyond German geographical reach in colonial days but led the fight against white South African rule, which ended victoriously in 1990. The governing party, the South-West Africa People's Organization, is dominated by Ovambo, while many Herero belong to the opposition, so the government does not back their quest

Per capita, Namihia gets more German aid than any other country - \$350 million since 1990 — but almost evely pfennig is spent in Ovambo areas Another Herero leader, Mouranta MAST

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Kerina, says his people do not want cash, but "a mini-Marshall Plan" to get businesses started, and scholarships to German universities.

#### John Wesley Jones, U.S. Envoy to Libya And Peru, Dies at 90

NEW YORK - John Wesley Jones, 90, a retired Foreign Service officet, ambassador to Lihya and Peru and a former deputy commandant of the National War College, died May 20 at his home in Flat Rock, North Carolina.

Mr. Jones, a native of Sioux City. Iowa, joined the consular corps in 1930 after graduatioo from George Washington University. He rose to the rank of consul in Rome in 1937 and returned to Italy after World War II as first stcretary of the embassy.

He was one of the last American diplomats to leave China during the Communist takeover when he was the political officer in charge of the enessy, then situated in Nanking.

He directed the State Department's Office of Western European Affairs in Washington from 1953 to 1957.

The year after that he was posted to Tripoli as ambassador, followed by his last foreign assignment, in Lima, from 1963 to 1969.

Martin Schrader, 73, Publisher NEW YORK (NYT) - Martin Schrader, 73, a former publisher with Hearst Magazines, died Thursday at Mount Sinai Hospital in New York lung disease.

He joined House Beautiful, one of 16 magazines published by Heatst Magazines, in 1960 and became publisher in 1966. He also was the publisher at Town & Country, from 1969 to 1977, and their it Harper's Bazaar. He retired in 1991.

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#### French Pilots Set to Strike as Cup Nears Air France, the official World Cup agement efforts to cut their salaries airline, has promised to make sure all by 15 percent, bringing them in line PARIS — France braced for chaos at its airports on Monday with the the teams arrive oo time for their with pay scales at rival airlines, in

start of an Air France pilots' strike that was expected to ground up to 90 percent of flights at the end of a husy holiday weekend and amid early arrivals for the World Cup soccer tour-

The main pilots' union, SNPL, has threatened to strike through June 14 if its demands over pay are oot met, while three smaller unions have called for their work stoppage, which also starts Mooday, to go through

The strike is expected to wreak havoc at airports Monday as thousands return from a holiday weekend and as the June 10 kickoff of the

Special

for thousands of fans, or tourists, already scurrying this weekend to find other arrangements.

Angered at what is being perceived as a tarnishing of France's image public service sectors. when the eyes of the world are upoo denounced the pilots as "the damned of the Earth.'

Mr. Sarre, speaking Sunday on Freoch television, said the pilots were "practicing blackmail on the company" ahead of the World Cup, a pressige event hosted by France which runs from June 10 to July

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matches. But the same will not be true exchange for shares in the airline. The labor unrest was expected to

spread during the week to other sectors, notably in the transport, construction, health, defense, power and Air France management has de-

it, a leftist lawmaker, Georges Sarre, nounced the pilots' action saying that it "showed a desire to degrade the company's image" on the eve of the World Cop. Jean-Cyril Spinetta, chairman of

the carrier, said that although the airline made a net profit of 1.87 hillion francs (\$312 millioo) in the year ended in March, it was still "coovalescing" and had higher costs than most of its competitors. (AFP, AP)

and oo ferries in the eastern Mediterranean. ADAC maintained that hatches, bulkheads, doors and portholes on the loading decks were oot closed properly, and trucks and huses were not properly secured.

## TRAVEL UPDATE

Helsinki Art Museum Is Opened HELSINKI (Reuters) - Finland's long-awaited Contemporary Art Museum, in a controversial avant-garde huilding in

the heart of Helsinki, has been inaugurated.

The opening Friday of the steel-and-glass building, designed by an American architect, Steven Holl, at a cost of almost \$40 million, follows years of controversy over its appearance and purpose.

#### Contract for Dardanelles Bridge

ISTANBUL (AFP) - A European consortium has won a Contract to build the first bridge across the Dardanelles, the Anatolia press agency reported Sunday.

Turkey's Highway Department sent a letter of intent to the consortium formed by Dragados of Spain, Amec of Britain

and Monbero Thorste of Denmark for the project. The bridge will have a length of 9 kilometers (5.6 miles) and is expected to cost \$500 million.

Health authorities have ordered factory closings and limits oo vehicle travel for two days in Santiago, because of excessive air pollution.

#### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Andorra, Angola, Austria, Baherras, Barbados, Belgium, Benin, Central African Republic, Denmark, European Union, France, Gabon, Germany, Grenada, Hungary, Iceland, Ireland, Ivory Coast, Kenya, Liechtenstein, Luxembourg, Madagascar, Monaco, Mongolia, Netherlands, New Caledonia, New and, Norway, Senegal, Spain, Sweden, Switzerland, Togo, Ukraine. WEDNESDAY: Uganda.

THURSDAY: Ghama, Iran, South Korea. FRIDAY: Bahamas, Bahrain, Demmark, Equatorial Guinea, Iran, Israel,

SATURDAY: Canada, South Korea, Malaysia SUNDAY: Maha, Ukraine. J.P. Morgan, Bloomberg. Reuters

#### WEATHER



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## THE AMERICAS

# Bilingual Education Up for Vote

By Ethan Bronner

SANTA ANA, California - Bilingual education, ooce widely hailed as a humane and sound method of immigrant assimilation, has fallen into disfavor, disparaged as a bureaucraoc boondoggle, even by many of the people it was primarily designed to serve: the nation's in-

Creasing Hispanic minority.

On Tuesday, California voters are expected to endorse Proposition dieds of hilingual programs in a state that is home to nearly half of the pupils in the United States of limited English proficiency. That will set the stage for similar attacks

on such programs nationwide.

If it passes, Proposition 227, which essentially limits help to nonnative speakers to a year of intensive English instruction, will mark an extraordinary intervention by voters into classrooms to mandate teaching methods. It is a sign of the growing importance of education in

the nation's political debate. . The shift in the fortunes of the nation's hilingual education system has been dramatic. It is the result of flagging support among its key con-stituents. Hispanics, a growing political resistance to federal education hureaucracies and the sense that, despite a plethora of studies,

there was no conclusive evidence largest concentration of Hispanic that it worked.

Behind that erosion of support is a stubborn statistic: the high dropout rate of Hispanic yonths.

According to the National Center for Educational Statistics, the school dropout rate in 1995 of Hispanics aged 18 to 24 who were born in the United States remained at 17.9 percent, but that of Hispanic immigrants was 46.2 percent. This compares with 12.2 percent of hlacks and g.6 percent of whites who drop out. Foreign-born blacks and whites had lower dropout rates than those who were born in the United States.

Since three-quarters of school-children nationwide who speak limited English are Hispanic and since hilingual education is often made to stand for the whole question of educating foreign-language children, the failure of the schools to educate Hispanic youths is often discussed interchangeably with bilingual educa-tion as if they were the same thing.

While the initiaove is the work of a white Republican, a Silicon Valley millionaire named Ronald Unz, it is backed, according to repeated opinion polis, hy at least half of the

state's Hispanic voters.
They include Virginia Martinez, a former hilingual educacion teacher here in Santa Ana, a town an hour south of Los Angeles with the American immigrants who believe

immigrants and their offspring in the country, according to national census data.

Here, where the issues of immigrant absorption and bilingual education are particularly pronounced, Ms. Martinez tests for English competency at Taft Elementary School, which has done away with hilingual education for the last 13 years, favoring English immersion, the aim of Proposition 227 of Proposition 227.

"I kept seeing kids doing poorly in the upper grades after they had gone through bilingual education," she said. "There was no transition to English. I felt that bilingual edu-

cation was holding them back."
In the school, Hispanic and Asian children learn in English from the first day, with the occasional transfation help of teacher aides. High scores reflect clear success, al-though Taft serves a more middle-class and ethnically mixed popu-lation than many schools with bilingual programs.

At the same time, Pio Pico Ele-mentary School, just a few miles away, is a reminder of what hilingual educatioo was supposed to be. Built on a lot ooce overrun by gangs, now an oasis of learning and community involvement, Pio Pico serves a uniform population of lowincome Mexican and Central



A California teacher instructing in English as a second language.

deeply in bilingual education.
"With hilingual education, I am
involved with my daughter's
schooling," said Martha Leon, a housekeeper whose daughter, Lizeth, is in fourth grade.

"My daughter is learning English, but because of the Spanish, I feel the school is mine, part of me."

This issue is not confined to California. Aside from this state, 10 others mandate hilingual education, and most others permit it. Since 1968, when Congress first passed the Bi-lingual Education Act, the federal government has helped fund it. And while not one of those programs yet faces a sweeping initiaove like that in California, all are under debate if not outright attack and curtailment.

In Chicago and Denver, school boards have recently limited hilingual classes to three years; in Arizona, the legislature has voted to limit funding for them to four years. In Albuquerque, New Mexico, parents are suing the school system, alleging that bilingual classes segregate their children, a charge that had been leveled at New York state by parents in Brooklyn three years ago. This followed a Board of Education report asserting that hilin-gual programs had failed to teach children as effectively as those in

English-only classes.
Supporters of bilingual educaoon contend that the programs have never been adequately supported or

## POLITICAL NOTES

#### Clinton Will Refuse to Testify, Time Magazine Report Says

WASHINGTON - President Bill Clinton will refuse washing from — President but Chinon with Iclust to testify before the grand jury of the independent prosecutor, Kenneth Starr, who is investigating the president's relaconship with a former White House intern, Monica Lewinsky, Time magazine reported Sunday.

Quoting unidentified sources, the magazine said Mr. Clinton and his advisers had decided not to cooperate in the least of t

the legal process. If the issue is pushed to its limit, Time said, Mr. Clinton wants to take his chances in the political atmosphere of impeachment proceedings in the House of Representatives rather than in the courtroom.

'For all his repeated promises to cooperate with the independent counsel, Clinton and his advisers have decided that he will refuse to testify and will refuse to help Starr choose when, where or how the last battle is

fought," Time said.

The White House is banking on the belief that a sitting president cannot be indicted and can only be impeached

hy Congress. Time said.

The next legal confrontation comes at 4:30 P.M. Monday wheo Mr. Clinton faces a Supreme Court deadline to file a legal reply in his attempt to invoke execuove privilege for two of his top aides. Mr. Starr has asked the court, which usually ends its term at the end of Juoe, to take on an accelerated basis the case of the two aides, Bruce Lindsey and Sidney Blumenthal, who have refused to tesofy at the grand jury on the grounds they were covered by the privilege. (Reuters)

#### President Targets Prayer Issue

WASHINGTON -- President Bill Clinton took aim over the weekend at a school prayer measure that will most likely to be voted on in the House this week, saying there was no reason to amend the consomion to protect

religious freedom in the schools.

The issue of prayer in schools is a complex and emotional one for many Americans," Mr. Clinton said Saturday in a radio address. "But nothing in the con-stitution requires schools to be religion-free zones, where children must leave their faiths at the schoolhouse door.'

Mr. Clinton never directly addressed the pending legisladon, the Religious Freedom Amendment, which

could come to a full House vote on Thursday, but he said amending the constitution was "the wrong way" to protect religious freedom.

"Some people say there should be a constitutional amendment to allow voluntary prayer in our public schools," he said. "But there already is one — it's the First Amendment," which, "sensibly applied," allows voluntary prayer and religious activities in public schools. To be approved, the amendment must get a two-thirds your in be approved, the amendment must get a two-thirds vote in the House and Senate and be ratified by 38 states. (WP)

#### Quote/Unquote

Defense Secretary William Cohen, urging the 865 graduates of the U.S. Military Academy to rise to the challenges of a post-Cold War world: "You are leaving a world defined by traditioo, stability and order to enter a world of rising ethnic conflicts, of regional aggressors, of asymmetrical threats, of cyber-terrorists who would send poison arrows at our databases, our financial markets or our poison arrows at our databases, our financial markets or our banking or space-based communications systems."(NYT)

# Worried Secret Service Pleads for Its Presidential Privilege

and Stephen Labaton New York Times Service

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And I'm ball

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demons haunt Lewis Merletti, director of the U.S. Secret

President John F. Kennedy, names of several dead commethods that for years have he states with no trace of Merletti served as a Green Beret and from which he returned home feeling aban- jobs. doned by his countrymen and betrayed by the nadon's polit-

Friends say that both mo-

the Secret Service's most rades on a shelf, this is a fight traumatic failure. The other is to the death. Outsiders, Mr. the Vietnam War, where Mr. Merletti complains, are once again handcuffing profes-sionals trying to do their

Although speaking publicly conflicts with the Secret Service's instincts and culwaging an all-out battle to passioned effort to preserve prevent the testimony of the agency's secrecy and the Secret Service agents and of-sanctity of the relationship ficers in the grand jury in-between Secret Service rorist attack from the ground vestigation of President Bill agents and their primary cli-Clintoo's relationship with a, ent. the president. None of the Secret Ser-

secrets to press home the importance he attaches to the battle over a new "protective-function privilege." He shows pictures of Secret Service agents disguised as priests, baseball umpires, foreign military officers and cooture, Mr. Merletti and other struction workers. He detivate Mr. Merletti, 49, who is officials are mounting an im- scribes the technology used to shield the president from gun-

> House is defended against ter-None of the Secret Ser- illegal behavior they witness.

fire. He details how the White

former intern, Monica Lew- In briefings this spring for vice's methods can succeed insky. A U.S. jndge has com- the Jusoce Department and for unless agents are allowed to served on the protective depelled them to testify, and the Institute Department has not decided whether to appeal.

Kenneth Starr, the independ- be close to the president 24 tails of Presidents Ronald Renours a day, Mr. Merletti as decided whether to appeal.

Kenneth Starr, the independ- be close to the president 24 tails of Presidents Ronald Renours a day, Mr. Merletti as decided whether to appeal. decided whether to appeal.

For Mr. Merletti, director of the U.S. Secret Service.

Service.

Justice Department has a local prosecutions and video testify, he says, will break the bond of trust between the president and his security one president.

Service.

Justice Department has a local prosecutions shown photographs and video testify, he says, will break the bond of trust between the over privilege transcends any one president.

The decided whether to appeal.

For Mr. Merletti, who keeps his green beret in a glass case in his office and in the United States and over-president and his security agents. The inevitable result, "I'm oot a Clinton man."

The decided whether to appeal.

For Mr. Merletti, who shown photographs and video testify, he says, will break the bond of trust between the president.

The decided whether to appeal.

The decided whet

> eral district jndge, this ap-pears to be an exaggerated forcement officers, Secret Service officials declare, they will be the first to report any

I'm not a Bush man. I'm oot a been closely held agency doubt, will be the death of a Reagan man," Mr. Merletti asserts. "This is about the of-To investigators and a fed-ral district jndge, this ap-Indeed, Mr. Merletti has

argued to associates, be coocern, and one that could would contest the subpoenas lead to a cover-up of pres- even if Mr. Clinton had

This is not aboot case law, had been allowed to ride on the humpet of the president's car, Mr. Kennedy might not talking about real hlood, I'm

talking about the integrity of our national security.

Mr. Merletti's plea did not sway Mr. Starr, who listened for 45 minutes and then re-spooded curtly, "I've got a criminal case to pursue," according to officials who were

But the initially skeptical senior leadership of the Justice Department was converted by Mr. Merlem's presentation and has gone to U.S. court to hack him up.

Retired and current agents idential misdeeds. But Mr.

Merletti and his senior staff bristle at the suggestion that the Secret Service would attempt to cover up anyooe's crimes. As sworn law encorrections of the service with him on it."

Waived the privilege that he slaying of Mr. Kennedy taught the Secret Service one lesson above all the waived it, "Mr. Merletti has service one lesson above all the model. "I would go nose to nose to the president. The Secret Service says that if its ageots had here allowed to ride on

## **Away From Politics**

Dakota, a small town in the southeast of the state, and local reports indicated that no longer believed that the British nanny six people had been killed and 150 had been injured. (Reuters)

Woodward's defense team has thrown tiding with a sightseeing helicopter. At the au pair case into another controleast two people on board died. (AP)

A tornado wiped out Spencer, South versy. The attorney, Elaine Whitfield • Celebrities gathered for a gala in Sharp, reportedly told the police that she was innocent of killing an 8-month-old baby in her care.

• The drunken-driving arrest in Mas-sachusetts of a member of Louise waters off Juneau, Alaska, after col-

Las Vegas to honor Frank Sinatra, who helped transform this gambling capital into an entertainment mecca.

• New York City's sidewalk food vendors, soon to be exiled from the financial district and large sections of midtown, now face being barred from 95 more blocks in Manhattan. (NYT)

#### **BOOKS**

SWINGIN' THE DREAM: Big Band Jazz and the Rebirth of

American Culture By Lewis A. Erenberg. 320 pages. \$28.

University of Chicago. Reviewed by Jonathan Yardley

discipline, called "popular culture," this page overreaches itself, leaping from the barriers, not merely putting hlack and narrow particular to the breathtakingly universal with little apparent regard for the validity of the exercise.
"Swingin" the Dream" is an intel-

ligent, provocative study of the big band Era, chiefly during its golden hours in the 1930s. Not merely does Lewis A. Erenberg give the music its full due, but be places it in a larger context and makes, for "It was an asset, racial mixing." be the most part, a plausible case for its infiportance. Students of American pop-ular music have tended to belittle the big band music of the swing era as a "com- greater acceptability in the emerging mercialized" transitional period between "pure" early jazz and "pure" belop.

Though the two greatest orchestras of hlack composers and arrangers.

the time were led by hlacks, Duke Ellington and Count Basie, in the racially

Teddy Wilson did, on the role of the charged atmosphere of jazz criticism it is assumed that the popularity of bands led by whites, notably Benny Goodman, Tommy Dorsey and Glenn Miller, was due to watered-down music made palatable for a mass white audience.

The truth, as Erenberg convincingly they were exercising their right to re-

argues, is another matter.
Until the swing era, jazz had been white adulators (Bix Beiderbecke, Frank Trumbauer, Eddie Condon) on the other, IKE so many other studies in that the process of cross-fertilization took ever before. As aural media, radio and nascent academic discipline, or unplace at a remove. But the big bands, records removed some of the visual definance of the visual de the barriers, not merely putting hlack and their musical influence on one another.

The first regular hlack performer in a white unit, Teddy Wilson of the Benny

said, because lovers of jazz "were just hungry for this sort of thing." The result was that white bands, because of their mass market, were able to bring new attention and admiration to the music of

audience. Its members, he says, were the parents and grandparents, literally and figuratively, of the audience that participated in the birth of rock 'n' roll:
"When they screamed at a concert or

spond to music in their own ways - not as parents, bandleaders or swing critics sharply divided racially, with black pi-oneers (King Oliver, Jelly Roll Monton, time, swing musicians operated nation-Louis Armstrong) on one side and their ally, in more open, democratic spaces. white adulators (Bix Beiderbecke, Frank Those spaces now included greater interaction between whites and blacks than the process of cross-fertilization took ever before. As aural media, radio and itions of race, allowing music played by hlacks or whites to reach the senses in white musicians onstage and in the re- direct, unrestricted ways. The swing era cording studio together, but accelerating thus witnessed the possibility for mass their musical influence on one another. personal liberation and the democratization of cultural connoisseurship."

The swing audience "represented both the emotional loosening of American mu-sical culture and its democratization." After the big bands, American culture was no longer the province of an intellectual or aristocratic elite that imported most of what it admired from Europe.

This is fine so far as it goes, but too

#### often Erenberg cannot resist going too far. 'The fascination with authentic jazz," he writes, "was part of the search for a cultural alternative to the dehomanization of society in the industrial world." It sounds as if Erenberg is reading post-1960s attitudes into a 1930s context. The best advice is to ignore most of Erenberg's generalizations and concentrate on his specifics, which are this book's real strength. danced in the aisles to an exciting band, Washington Post Service

#### BRIDGE

By Alan Truscott

HERE are some basic eleplay that players beyond the although it has not yet broken cessful defense if his partner beginner stage use without through to a world title. thinking. If your partner leads a suit in which you hold A 73, you return the seven, not the diamonds showing a weak returning the three.

the three, you know he is a imum heart hand. South world-class player with cards in the partnership style, sensible play.

something devious in mind. and Lanzarotti as East Lanzarottie The diagramed deal was thought matters over after two heart tricks and led a played in an international winning with the ace.

three, if you are going to re- two-bid in one of the major

beginner. That is almost settled in three no-trump, and be gained the lead, Buratti beginner. That is authors west led the spade two. This therefore took his king and showed three cards or five shifted to a heart, the most

played in an incomment in Venice, team tournament in Venice, ity that his partner had begun South was now locked in Italy, last year, and the East

a member of the Italian team the next spade lead. That was one. that has dominated the Euro- not what he wanted, for he ments of defensive card pean field in recent years, could see a road to a suc-North and South were us- therefore deliberately lied ing a form of Multi, with two about his spade holding by

This told his partner, Ansuits. The two no-trump re- drea Burani, that he held a V95 arm me sunt at an.

So if you sit behind a sponse was an inquiry and doubleton spade. A duck was three hearts showed a min-now useless, since East would

> Lanzarottie happily took diamond, completing a 30 He visualized the possibil- remarkable defensive effort.

seat was occupied by with K x x x 2 and knew that his hand and had to lose a Massimo Lanzarotti. He is his partner was likely to duck cluh at the finish for down

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He's No Dr. Strangelove, Pakistani Insists, but a Kind Person

By Molly Moore

ISLAMABAD, Pakistan - The architect of Pakistan's nuclear program offered no apologies Sunday for spending two decades developing what he described as "a destructive weapons system.

The scientist, Abdul Qadeer Khan, revered as a hero in his homeland and sometimes referred to as "the father of the Islamic bomh," tried to portray himself as the antithesis of a "Dr. Strangelove," the demented bomb maker of

"I am one of the kindest persons in Pakistan," the 63-year-old scientist said. "I feed the hirds, I feed ants in the morning. I feed monkeys that come down the mountain."
Mr. Khan, at his first news conference

since he oversaw Pakistan's first detonation of nuclear devices last week. said the country planned no further tests 'in the near future.'

But he indicated that at least nne device remained capped in a hole at the test site after officials decided to explode nne rather than twn devices in a second round of underground tests on Saturday.

U.S. analysts have said that nuclear devices are difficult to remove after they are cemented into their holes and that eventual detonation is virtually certain. "There were supposed to be twn tests yesterday," Mr. Khan said, refusing to provide details nther than to add, "It was decided that only one would be

He insisted that Pakistan exploded five devices - all of which he said were "successful" - in its first round nf testing nn Thursday, despite skepticism from U.S. military and intelligence officials, who said they detected only a single, relatively weak seismic



Abdul Qadeer Khan speaking at his first news conference since Pakistan joined the nuclear club.

signal from the Pakistan test site. Pakistan said it exploded the same number of devices in the first test as from more advanced countries. India detonated in two rounds of testing May 11 and 13. Those were India's first underground nuclear explosions since one in 1974.

Mr. Khan explained the discrepancy in Pakistani claims and U.S. seismic readings by noting that if the bombs are detonated simultaneously only one shock wave goes."

Analysts have said that it is extremely difficult to conduct five simultaneous

The Pakistan government has not

made public any information other than to announce the hlasts.

Mr. Khan, a German-trained metallurgist, said the six blasts were fission detonations, as opposed to the more powerful fusion, or thermonuclear, vari-

Describing the first round of tests, he told the Pakistani newspaper The News that "One was a big bomb which had a yield of about 30-35 kilotons, which was wice a big as the one dropped on

"Tipped on small missiles, they can be used in the battlefield against concen-

tration of troops. Mr. Khan said Pakistani officials 'took 17 days' to prepare the bombs for the first tests, indicating that Pakistan began the test preparations as soon as India detonated its bombs nn May 11. He said the Pakistani tests "gave us a sense of security" and relieved pressure on the Pakistan military. "They believe they are on equal footing with India."

Mr. Khan has been a controversial

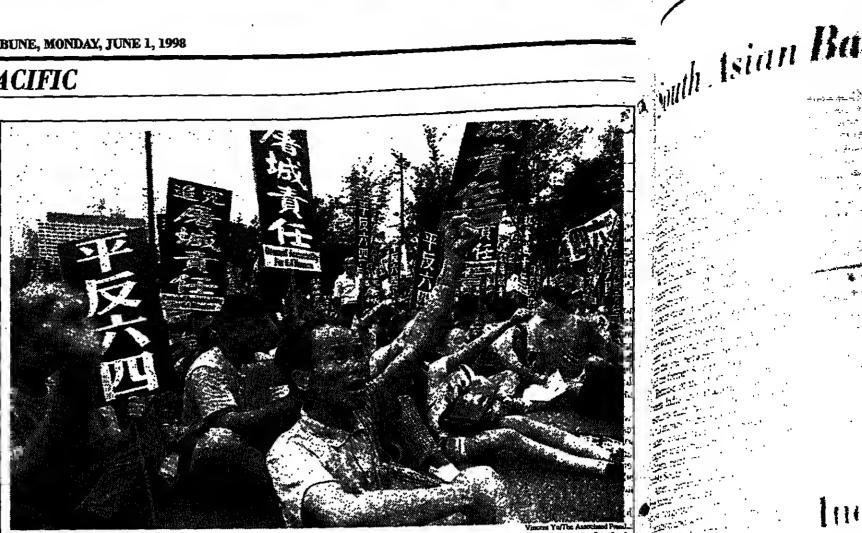
figure for his role in not only developing Pakistan's nuclear program but also allegedly operating a worldwide network of spies who clandestinely bought and stole nuclear materials and technology

#### Efficient and Reliable

Mr. Khan said that Pakistan's weapons were more efficient and reliable than those of India and could be delivered by superior missiles. Reuters reported.

Asked how Pakistani devices were superior to those tested by India, Mr. Khan said: "In efficiency, in reliability and the very fact that we used a very high-tech enriched uranium technology which very few countries in the world have."

He added that the Indians used



DAY OF REMEMBRANCE - More than 2,000 people marched Sunday in Hong Kong to mark their anniversary of the massacre nine years ago near Beijing's Tiananmen Square. Hundreds are known to have died when Chinese troops suppressed a student-led pro-democracy movement on June 4, 1989

plutonium technology that was "very failure and produced relatively few bombs are considered relatively small ngerous and cumbersome."

■ Only Faint Echo Detected William J. Broad of The New York

Times reported: The global network that tracks earth-

quakes and underground atomic blasts found only a faint echo from the nuclear test that Pakistan said it conducted Saturday, U.S. experts said.

That could mean the test was suc-cessful hnt small or that the test was a 4.8, equal to 8,000 to 15,000 tons. Such record anything at all.

Continued from Page 1

lamic ethos that defines Pakistan. And

there are some indications that it was a

This is a country forged from the

religious hatreds that ripped apart the British Raj. More than a million people died in Hindu-Muslim violence accom-

countless scares, India has remained the

dominant force on the Subcontinent.

shock waves

"It's a small event," said Terry Wallace, a seismologist at the University of Arizona. He said the blast had a preliminary magnitude of 4.3, equal to about 1,000 tons of high explosive. By contrast, the atomic bomb dropped on Hiroshima in 1945 had an explosive force of 15,000 tons.

The main Pakistani hlast Thursday

PAKISTAN: Nuclear Weapons Serve as a Symbol of Security

by the standards of world arsenals! where the explosive power of warheads can exceed millions of tons.

Saturday's test was too small to show up on the government's main network for monitoring earthquakes around the world. "We've searched everything we have and we don't see anything." said Waverly Person, a spokesman at the National Earthquake Informational Center, in Golden, Colorado, "We didn't

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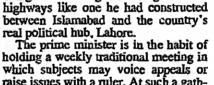
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Mr. Sharif, a wealthy businessman from a family that was itself displaced from Kashmir in partition, is Pakistan's

reluctant call.



doing this through building modern

which subjects may voice appeals or raise issues with a ruler. At such a gathdays after the Indian tests, he said thetnrically that Pakistan faced a choice of 'the motorway or the bomb."

screened crowd shonted hack "Motorway! Mntorway!" But this was not the temper of the times. Mr. Sharif's goahead has won him-for the moment at least-widespread adulation, with crowds dancing in the streets, prayers of thanksgiving in mosques and celebratory gunfire in the air. A snap poll by the Pakistan Institute for Public Opinion in major cities found 97 percent support for

the testing. Mr. Ahmed, a lonely critic, traveled around the country in the days before Pakistan's tests trying to raise oppo-

"Total failure," he said Sunday. throwing up his hands.

Successive rival governments in Pakistan have been furtively obsessed with nuclear weaponry since India conducted its first test in 1974, and Zulfikar Ali Bhutto, the prime minister at the time, vowed that Pakistan would 'eat grass" until it matched the feat.

As reports spread over the years of Pakistani nuclear progress—with Chinese help and the de facto suspension of the U.S. embargo in 1979-88, when Pakistan was the funnel for aid to Afghan rebels fighting the Soviets, the mil-itary and political leadership came to view the nuclear threat as a deterrent to

India's overwhelming military power.

This belief was strengthened by twn second week nf July.'

events. In 1984, the Indian Army conducted an exercise called "Operation As a result, nuclear weapons have be improved." Brass Tacks," which massed troops about 13 kilometers (8 miles) from the border. Pakistani officials warned this could mean war and intimated that nu-

clear weapons might be used. Prime Minister Rajiv Ghandi said he had not been informed of the exercise panying independence in 1947, a par-ition that saw many Muslims flee to Pakistan, Through three more wars and mir, the Indians, believing weapons mir, the Indians, believing weapons were pouring in from Pakistan, again moved troops near the border. The CIA director, Robert Gates, flew out in an emergency mission to diffuse the crisis.

"The first instance was interpreted by corrupt economy and is said to be par- it was the fear of the use of nuclear ticularly obsessed with the notion of weapons that brought foreign involve-

come nearly sacrosanct in Pakistani military thinking. Thus, Mr. Sharif faced strong mea-

sures from the military. The top military officer, General Jehangir Karamat of the army, was believed to he initially in clined to the view that the situation could be used to wring new conventional mili-itary equipment from the Americans, But he soon agreed with the nine senior army corps commanders and other service chiefs to push for tests.

General Karamat told officers at the National Defense College on Friday that Pakistan had made a bare minimum first elected political leader who is not. Pakistani hawks as showing that nuclear—response only to re-establish strategic from the rural feudal aristocracy. He has sought to modernize a backward and said."The second brought the belief that tests. It was not the number of nuclear weapons or their specific power that mattered, he said, "only the capability."

## INDIA: Trying to Ease Regional Tension

Continued from Page 1

"In terms of a country's security concerns, one doesn't say the last word at ering in Lahore, his power base, a few any point in time," he said in the interview for Home TV.

"When the prime minister said that the motorway or the bomb." we are going for a moratorium, that And the assembled, carefully moratorium stands. I hope we don't get into that kind of a syndrome where they gn for testing and then we say 'All right, let's also go for testing,'" he said.
India said Saturday that it stood by its

self-declared moratorium on nuclear tests after conducting five underground hlasts earlier in May. Pakistan said Saturday that it had completed a series of six tests in response to its arch rival's.

Mr. Khan, in the interview from Islamahad, said Pakistan itself did not plan any more tests for a "long, long time." The overtures from Pakistan, however, did not dull the wave of crit-

icism from around the world. Both India and Pakistan need to renounce further nuclear and missile testing immediately and take decisive steps to reverse this disastrons arms race." President Bill Clinton said in

Washington. Mr. Khan discounted India's stated willingness to discuss a moratorium be-

tween the two, which have fought three wars since independence from Britain in

"We can consider such things and go into depth," he said. "But there is very little reliance nn India's wards ar actions because I have credible evidence that they are already in the process of preparing a new test site in the state of Orissa to hlast somewhere in the first nr

clouds threatening to hamper aid efforts.
Aid workers said they were concerned that the metal-sheeting surfaced airstrip littered with destroyed Soviet tanks and surrounded by steep green hillsides,

Some international aid workers beat the hostile weather and began arriving late Sunday afternoon in Faizabad, to the

clouds cleared. Juan Martinez, a Red Cross spokes man, said the death toll could be higher than 3,000. "It is possible, because the quake was strong. It will take a few days

The Red Cross would send more

Rostak, and Chah-ab. The United Nations learned much from the February quake, Mr. Witschi-

to confirm the casualties," he said.

Cestari said. International aid groups were slow to respond in February because they were skeptical about the ex-

tent of the devastation.
"We learned (this time) by believing the information we received." he said. "In February, our reaction was that it sounded like too much, and we started

He said the United Nations still had about \$1.2 million in emergency funds left over from the massive response to the appeal last February. Rostak bore the brunt of the quake in

February, measuring 6.1 nn the Richter scale, in which 14 villages were demolished. "It takes five days to reach Shar-i-

Buzurg from the nearest town, Paizabad, by hurse or donkey," the United Nations said. "There are no roads linking the region to the outside world."

Meanwhile, the Pakistani foreign sec-retary, Shahrushad Ahmed, said other nations had to adjust to a new reality, one in which both India and Pakistan have the capacity to launch nuclear weapons. "Our decision to exercise the nuclear option was an expression of self-de-

fense," Mr. Ahmed said, Immediately after its nuclear blast Saturday, Pakistan offered talks with India to resolve their dispute over Kashmir, over which they went to war in 1948 and 1965, and urged world leaders to help in that effort.

"Chauvinistic Chest-Pounding"

Cohen, said Sunday that the nuclear standoff between India and Pakistan poses serious dangers, largely because 🞝 of the "chauvinistic chest-pounding" of the antagonistic South Asian neighbors, The Associated Press reported from

Senator John McCain, Republican of Arizona, concurred that "this is the most serious situation since the Cuban missile crisis," citing the volatile combination of weapons proliferation and the possible spread of radical Islamic fundamentalism in the area.

But there was wide disparity on the Sunday news programs in the United States over whether the Clinton White House should bear any responsibility for decisions of India and Pakistan to

Republicans accused the administratinn nf "massive" foreign policy failures; administration officials said they are taking the lead in an international effort to keep the peace.

"It is a very dangerous situation,"
Mr. Cohen said nn the CBS News program "Face the Nation," when two countries who have a history of warfare between them are "engaging in a chau-vinistic chest-pounding about their nu-clear manhood."

than we have been any time since the Cuban missile crisis" in 1962.

Somewhat less ominous was the outatinn was "clearly very serious," it was

"by no means a fatal blnw."

He said it could provide an opportunity for the world community to focus on proliferation and security issues.

Led hy Secretary of State Madeleine Albright, the foreign ministers of the curity Council - the United States, Bri-

#### In this week's issue

- How Jack Welch made GE the most valuable
- For Tony Blair, Ireland will be a hard act to follow

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THE INTERMARKET **Continues** on Pages 11 & 12

## QUAKE: 3,000 Are Killed in Afghanistan

Continued from Page 1

might become inaccessible.

east of the epicenter of the quake. One plane belonging to the Interna-tional Committee of the Red Cross, car-rying medicine and 12 relief workers, managed to land in Faizabad after the

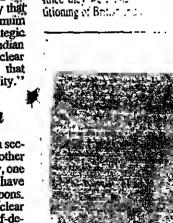
planes in coming days to help the three worst-affected areas - Shar-i-Buzurg,

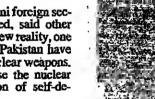
five permanent members of the UN Setain, France, Russia and China - arc to meet in Geneva later this week to plot a The UN and Red Cross said two helicourse of sanctions and crisis-resolving copters chartered from neighboring measures for India and Pakistan Tajikistan would try to arrive here Mon-'We are ready to assist in any way but day, to help assess the damage and disyou have to do it in concert," the U.S. tribute relief supplies. delegate to the United Nations, Bill (AP. AFP, Reuters) Richardson, said. حكذا من الاحل

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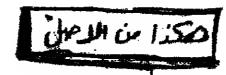


The U.S. defense secretary, William

threaten each other with nuclear tests.

Senator Daniel Patrick Moynihan, Democrat of New York, on "Fox News Sunday," joined Mr. McCain in saying the world was "closer to nuclear war

look of Deputy Secretary of State Strobe Taibott, who told the NBC program "Meet the Press" that while the situ-



#### ASIA/PACIFIC

# South Asian Balance of Terror Is a Wobbly Affair

By John Ward Anderson Washington Post Service

ISLAMABAD, Pakistan - In the vorst days of the Cold War, Americans and Russians learned the meaning of the balance of terror. Missiles facing off against each other on hair-trigger alert. Potential flight times of mere minutes. Billions of dollars squandered to stay

head or to catch np. With India and Pakistan's recent announcements — and more important, demonstrations — that they are nuclear weapons states, experts said the next step up the escalation ladder was deploying their weapons in the field. That could put them in a nuclear terror standoff worse than the one between the United States and the former Soviet Union.

Because of the short flight times be ween India and Pakistan, the budget straints each has and the deeply personal animosity their citizens share, their eaders could face an enormous challenge trying to manage their arsenals and bilateral relations in an increasingly untable South Asia, analysts say.

After a generation seemingly escaped the threat of nuclear holocanst, the almost forgotten issues of nuclear proliferation and war assumed new urgency when the two enemies staged explosions of 11 underground nuclear devices in the last three weeks. The dueling tests raised concerns about an out-of-control arms race that could bleed money from two of the world's poorest countries and destroy the global consensus to rein in ooclear weapons.

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"Look at the flight times between firing and detonation at the target," said a Western diplomat in Islamabad, ooting that ouclear-armed missiles could fly from potential launch sites oear the India-Pakistan border to each country's capital in about three minutes.

'The United States used to sweat about the president having a half hour to decide to use the weapons or lose them," he said. "The U.S. had expensive space-based surveillance that could pick up the launches, but Pakistan () and India have no warning systems. I don't know what their doctrine will be.

Launch when the wind blows?" Foreign Minister Gohar Ayub Khan of Pakistan said in an interview, "There is no reaction time bere. We are eyeball to eyeball, and it can flare up at any

Within this cauldron of uncertainty and tension, arms control advocates said that a decision not to deploy nuclear weapons would significantly lower the risk of a nuclear war that could start by accident, miscalculation or design. India and Pakistan have fought three wars since they were established by the partifioning of British India along religious

simistic that India and Pakistan coold stop short of deployment, Strobe Talbott, U.S. deputy secretary of state, last week urged them to try, lamenting that so far they "have not had a lot of experience in mutual deterrence of any kind.

Scott Sagan, a political science pro-fessor at Stanford University and codirector of the Center for International Security and Arms Control, said, There could be something to inhibit their mutual desire to put forces in the field, sort of a

noodeployment treaty. ANALYSIS But it would have to be a comprehensive deeply verifiable agreement. That's the only sort of positive conclusion that

could come from all this."

Pakistan's ambassador to the United States, Riaz Khokhar, demonstrated the dilemma in a phone interview last week, saying that such an agreement would require huge confidence-building measures. But, he said, "There is no confidence. It's never existed in our part of

the world. It's pretty hair-raising. Adding to the mistrust are a series of

lines in 1947. Although analysts are pes- contradictions and denials that have come from various top-ranking people in both governments about whether they already have a stockpile of nuclear weapons and, if so, whether they are now trained at each other oo missiles or. perhaps more likely in this early phase, stored near planes that could deliver

The confusion seems to stem from a variety of forces at work simultaneously: deliberate ambiguity and deceit, a reluctance to show their hand to the enemy, loose language from people not familiar with the technical terminology of ouclear arms control and a legitimate clash between hawks trying to pressure their gov-ernments to deploy immediately and those who want a more gradual buildup.

Given their mutual suspicion and dis-trust, and the capability each has to build nuclear bombs and deliver them, it may not matter what they say, arms control experts said. The other side will probably assume the worst.

Even if India says it has not deployed its weapons, Foreign Minister Ayub Khan said in an interview, "How long does it take to put a bullet into a gun?"

Arms control experts said it was oot that simple: For nuclear weapons to be considered fully deployed, a country needs trained personnel manning completely assembled weapons fulltime with the authority to fire them. That might leave room for some type of verifiable nondeployment treaty, if India and Pakistan could develop greater trust, they said.

If that proves impossible and the countries deploy, they will face many expensive decisions about how to ensure the safety of their arsenals, how to prevent unauthorized use of the weapons, how to guarantee their ability to survive a first strike and launch a counterattack and how to ensure that they have adequate and reliable systems to warn them when they are under attack and where it is coming from. Such warning systems can be as expensive as the missile systems itself, experts said.

But without such safeguards, "All it takes is one crazy lieutenant or air marshal in the chain of command for a calamity," said a South Asian security expert, Stephen Cohen of the University



Foreign Minister Gohar Ayub Khan of Pakistan confirming two more nuclear tests by his country.

letter completely around the Chinese

threat to India was a blunder. There was

Charles Freeman, a China specialist

and former senior Pentagon official,

also questioned India's perception of a

security threat from Beijing. "It's hard

for me to see that China poses any threat

to India," he said. "The Sino-Indian

border is stable along the lines of control

established in the 1962 Sino-Indian bor-

der war. China is satisfied with the

border. Politics in India, not China, are

the obstacle to a formal agreement and

David Shambaugh, director of the

Sigir Center for Asian Studies at

George Washington University, said

no earthly reason to do it."

demarcation of the border.

#### BRIEFLY

#### Nuclear Race Put On Summit Agenda

WASHINGTON — The focus of the agenda for the Chinese-U.S. summit meeting next month in Beijing has been shifting to deal with the nuclear arms race between India and Pakistan, according to senior Clinton administration officials.

The national security adviser, Samuel Berger, was leaving Sun-day for Beijing to discuss with Chinese officials the issues that will be the focus of talks between President Bill Clinton and President Ji-

ang Zemin.
We have proliferation concerns for South Asia," an administration official involved with preparations for the summit meeting said. "Clearly that will take a more prominent role than it would

#### 18 Retired Generals Ask Habibie to Quit

JAKARTA — A group of retired generals called Sunday for the country's new leader, B.J. Habibie, to step aside and be replaced by a

caretaker president. The Jakarta Post quoted the 18 geoerals as saying that a special parliamentary session should be called no later than July to revoke

Mr. Habibie's mandate. Meanwhile, in Surabaja, bun-dreds of thousands of Muslims gathered in front of the province's military headquarters. Some carried posters reading, "Reform most continue" and "Reform is not just changing the power-holders." The police said the event, described as a prayer ceremony, went peacefully. (Reuters)

#### For the Record

Ma Yiog-jeou of the Kuomintang, a former justice minister, is leading all other candidates for mayor of Taipei, two polls indicated Sunday, a day after he joined the race.

Government troops and Tamil Tiger rebels fooght pitched battles in Sri Lanka's oorthern Wanni region, where the military is trying to capture a key highway, military officials said Sunday. (Reuters)

## India Tries to Ease the Diplomatic Chill With China

By Kenneth J. Cooper and Steve Mufson

Washington Post Service NEW DELHI - What had been improving relations between India and China have deteriorated in the three weeks since New Delhi cited a perceived strategic threat from Beijing as

the reason behind India's ouclear tests. That explanation provoked an outpouring of condemnation from China, which had said little in public about India's ooclear program since its neighbor to the southwest first detonated a nuclear device in 1974.

Beijing has appeared upset at having been used as a pretext and accused of militaristic moves against India in provocative statements that Defense Minister George Fernandes made in the weeks before the underground ouclear tests May 11 and May 13.

In the face of Beijing's strong reaction, India has dropped any specific reference to China as a reason for conducting the tests and for declaring the nation of 950 million a noclear power, like its larger neighbor. The coalitioo government of Prime Minister Atal Bihari Vajpayee has instead turned to restating India's desire for good relations with China.

Last week, after Pakistan conducted its first nuclear tests, Mr. Vajpayee's government cited those explosions as justification for India's tests.

China specialists here and in the United States described the initial explanation as a major diplomatic hlunder by Mr. Vaipavee's government Two American specialists suggested that declaring China a threat could strengtheo Chinese nationalists who want Beijing to adopt a stronger military posture.

If relations are to return to their prior warmth, China has signaled that India must demonstrate that is its intention, possibly beginning next month when a bilateral panel on their border disputes os to meet in New Delhi.

"The ball is in India's court," said Zhao Xingmin, a spokesman at the Chinese Embassy in New Delhi. "They have engineered this sort of worsening of the relationship. So ask them: "Why?" Until a brief border war in 1962, the

modern nations of India and China enjoyed generally friendly relations. But for India's leaders, the Chinese invasino and occupation of what had been Indian territory after that war has been seen as an embittering betrayal.

India's defeat in the war led its leaders

to direct a peaceful nuclear program to begin weapons research and Mr. Vajpayee's Hindu nationalist Bharatiya Janata Party to adopt the development of nuclear weaponry as one of its political goals. After China's first nuclear test in 1964,

Mr. Vaipavee's letter. "To organize the atomic bomb, nothing else" would be a sufficient response even though China had almost immediately announced a policy of not using nuclear weapons first.

Diplomatic relations between India and China were severed after the war and not restored until 1976. In 1988, a decade of gradually improving relations began when Prime Minister Rajiv Gandhi visited Beijing, leading to the creation of a bilateral group to discuss border disputes. Though still unresolved, those disputes had faded as a major issue in setting the tone for diplomatic relations.

In a letter sent to President Bill Clinton this mouth and first published in The New York Times, Mr. Vajpayee said that the ouclear tests had been conducted because China was the aggressor in the 1962 war and "an atmosphere of distrust persists mainly due to the un-

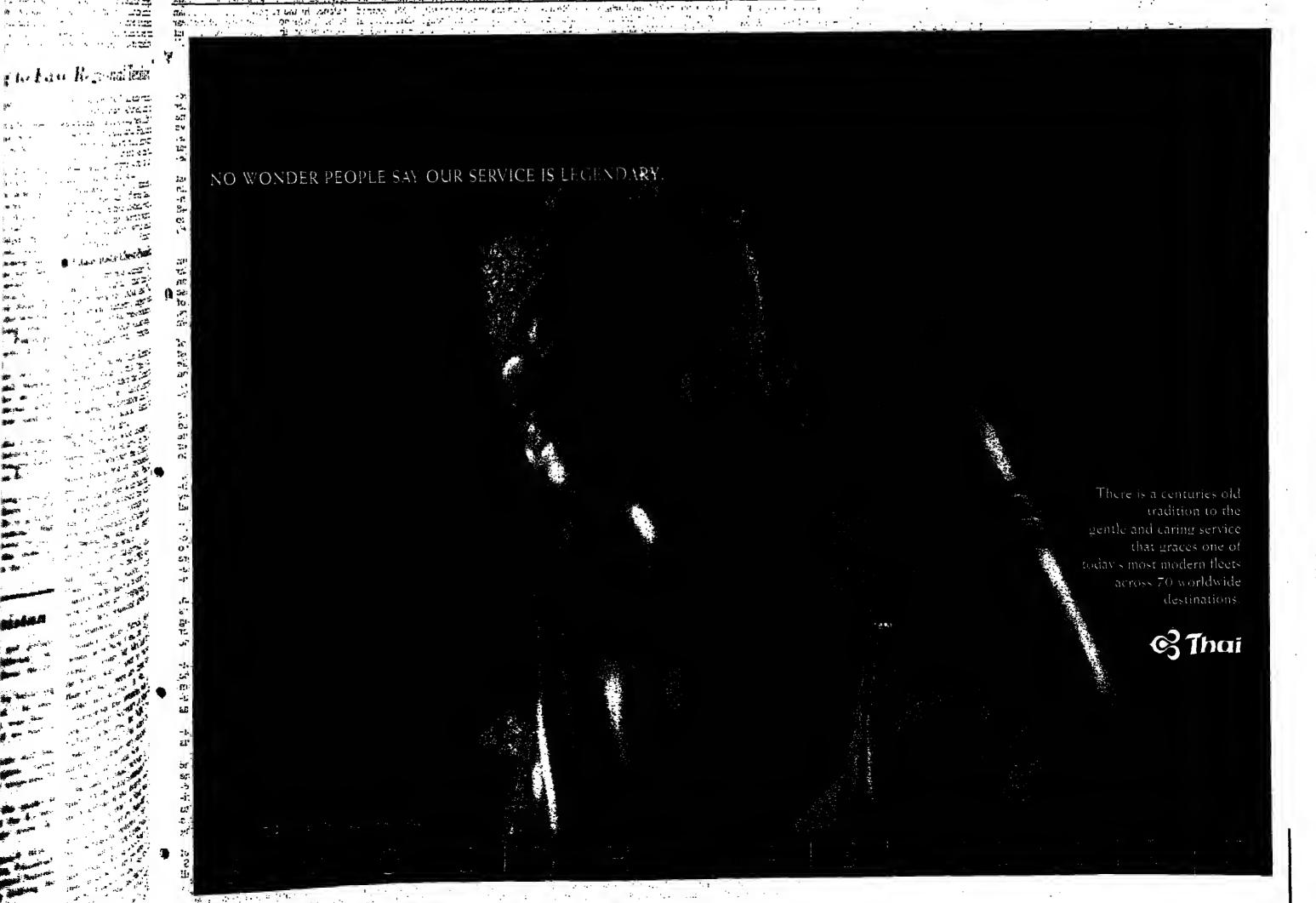
resolved border problem. That statement in an official communicatioo angered Beijing, which had carefully criticized only Mr. Fernandes, not India's government, for making similar charges. Mr. Fernandes is oot a member of Mr. Vajpayee's party and has such a reputation for making out-landish statements that India's two leading newsmagazines described him as

George in the China shop." "It was completely idiotic," Giri Deshingkar, director of the Institute of Mr. Vajpayee said in Parliament that "an

that India's citing Beijing as a security threat could possibly 'galvanize the na-tionalists' and provide 'another excuse for a more robust defense posture."

Mr. Freeman and Mr. Deshangkir said they doubted that Beijing has - as Mr. Fernandes had charged - targeted onclear weapons at India from Tibet.

"The range of Chinese missiles is such that China does not need to station ouclear weapons in Tibet to respond to a potential Indian attack," Mr. Freeman said. Mr. Deshangkir described Tibet as a "treeless platean" where ouclear installations would be virtually impossible Chinese Studies in New Delhi, said of to conceal from intelligence satellites.



#### INTERNATIONAL

## How Far Will NATO Push Itself?

#### 44-Nation Meeting in Luxembourg Highlights Problem of Scale

By William Drozdiak Washington Past Service

LUXEMBOURG — The cavalcade of speeches here by the foreign ministers of 44 countries from three continents started early in the morning. By afternoon, as many diplomats checked their watches and seemed to fret about their next meal or a plane to take them home, the homilies about peace and democracy were still going strong.

For s year, the Euro-Atlantic Partnership Council has merged the 16 NATO members and 28 aspirant nations into an amorphous bureaucratic behemoth that now strides the world stage under the guise of sustaining security cooperation from Vancouver to Vladivostok.

As the North Atlantic Treaty Organizatioo prepares to expand toward Russia's doorstep by incorporating Poland, Hungary and the Czech Republic as it celebrates its 50th anniversary oext year. the world's most successful military alliance is pondering how far it can safely expand its political agenda and territorial domain without diluting its effectiveness and sense of purpose.

"It's true that such large meetings can alliance diplomat. "Some people fear there is a risk of too much talk and inertia with so many different countries getting involved in NATO-related activities. But we feel it is a price worth paying for greater political legitimacy and a new rationale in the post-Cold War era."

With the demise of the Soviet Unioo. peacekeeping chores and other missions that extend well beyond its boundaries. The alliance now discusses terrorism defense industries for civilian purposes. and nuclear proliferation with Russia. border monitoring tasks with Albania and Macedonia, and next week will set up a disaster-relief center at its heading a top priority of many partners to quarters to help countries in Eastern gain full membership. "It has offered

Europe and Central Asia cope with death and devastation from natural or technations understand what they must do to nological catastrophes.

As NATO's activities have broadened in scope, so has its military and political involvement with new democracies beyond the Mediterranean and even the Caspian Sea. At least 38 high-ranking military officers working at NATO headquarters in Brussels come from "partner states" outside the alliance.

During the U.S. Senate debate oo NATO expansion, some opponeots, led by John Warner, Republican of Virginia. failed to impose a three-year membership freeze after the Poles, Czechs and Hungarians join the alliance. While a second wave of expansioo is not likely soon, Romania and Slovenia, as well as the Baltic states - Lithuania, Estonia and Latvia - are clamoring for early membership. They are not alone.

Bulgaria, Slovakia and Macedonia also crave the security assurances associated with membership. Caspian Sea states such as Azerbaijan and Kazakhstan, where U.S. oil companies are staking huge investments in future energy supplies, are looking for protection. Even Central Asian states, such as become a little onwieldy," said a senior Tajikistan and Uzbekistan, are lining up for long-term consideration.

For now, all of these prospective members have been folded into the Euro-Atlantic Partnership Council, established a year ago at Sintra, Portugal. At its meeting Friday, the ministers toosted joint enterprises such as the NATO-led peacekeeping force in Bosnia-Herzegovina that NATO has been pushed into Balkan drew soldiers from 30 countries, regional security consultations in the Caucasus and scientific exchanges on how to convert

"NATO has clearly reaffirmed its open door," said the U.S. secretary of state, Madeleine Albright, acknowledgmake menibership a possibility."

Mrs. Albright said the true measure of the partnership council would lie "not only in its roster and its rationale, but in its resolve to meet real-world challenges to our security." She has emphasized that NATO and its friends should cement a strategic bood against new dangers. particularly the spread of weapons of mass destruction. But the suggestion that NATO, with its U.S.-driveo debates and integrated military command structure, will relentlessly expand its agenda and geography frightens some analysts, even those sympathetic to embracing oew de-

mocracies in Central Europe. "Just where do we want to draw the line on NATO membership? With Indonesia?" Henry Kissinger, the former U.S. secretary of state, asked at a cooference on NATO's geopolitical destiny. He added: "A political and military alliance such as NATO can only survive when it has clearly defined boundaries and missions." and missions

Besides the dispute over its mem-bership roster and sundry new security tasks, some officials worry about the immeose burdens posed by bureaucratic and infrastructure needs of so many countries and their divergent priorities. Even scheduling poses a serions problem: The NATO secretary-general, Javier Solana Madariaga, estimates that the number of meetings at NATO headquarters has tripled in the last two years.

Every wife in the harem wants to have her night of pleasure, and the alliance faces a problem in being overwhelmed by pressing demands from so many countries," a senior NATO official said. "On the other hand, the absence of a common decominator makes it easier to define certain issues on a regional basis. such as the Balkans or the Caucasus, that will provide a clear division of labor."

#### BRIEFLY

#### Former President of Zimbabwe Faces Trial for Rape and Assault

HARARE, Zimbabwe — Canaan Banana, a former president of Zimbabwe, is to be tried Mooday on 11 charges of sodomy, attempted sodomy and indecent assault.

The cases against Mr. Banana, who served as a largely ceremonial president in the 1980s, were compiled by the state

after complaints by one of his former presidential guards. He was first charged in July but was not asked to plead by the lower magistrate court that referred his trial to the high court. Mr. Banana, 62, appealed to the Supreme Court against his trial, arguing that pretrial publicity had prejliced his right to a fair hearing. But Chief Justice Anthooy

Gubbay dismissed the appeal in a ruling in March. Until his indictment last July, Mr. Banana had been under police investigation for months after allegations that he had raped and forced one of his former aides into a homosexual relationship during his presidency in the 1980s. The former aide, Jefta Dube, 36, was sentenced to 10 years in Jail last year for the 1995 fatal shooting of a fellow policeman who goaded him by calling him "Banana's wife." (Rewers)

#### Conservative Wins Vote in Iran

TEHRAN — Ali Akbar Nateq-Nouri, the conservative speaker of the Iranian Parliament, easily woo re-election inday in an annual vote.

Mr. Nateq-Nouri, 54, who was defeated by the moderate cleric Mohammed Khatami in a presidential election last year, got the votes of 165 of the 258 deputies present. His challenger, Majid Ansari, parliamentary leader of the Disabled Man Conquers Everestcoalition of moderates close to President Khatami, received just 84 votes, confirming the firm grip of the conservatives

#### Polls in Ecuador Predict Runoff

QUITO, Ecnador — Opinion polls indicated that Jamil Mahuad and Alvaro Noboa would meet in a July presidential runoff as oeither is expected to get 50 percent of the vote in a general election Sunday.

One poll indicated that Mr. Mahuad, the mayor of Quito.

would get less than 40 percent of the vote, while Mr. Noboa, businessman, would win at least 30 percent.

Mr. Mahuad of the centrist Popular Democrat Party has infection.



Jamil Mahuad, the mayor of Quito, Ecuador, waving to supporters during a presidential election

admitted he had no chance of achieving 50 perceot. Another poll indicated that he had 36 percent support, compared with 23 percent for Mr. Noboa, who is the candidate of the populist Roldosista Party.

KATMANDU - The world's first disabled climber to scale Mount Everest said Suoday that he was relieved and overwhelmed when he stood atop the world's highest peak, Tom Whittaker, 49, said he felt an "overwhelming sense of the climb, I felt huge relief that there was no more mountain in front of me." Mr. Whittaker, a British-bom "outdoor pursuits" instructor who lives in Arizona, reached the 29,028foot (8,848-meter) summit oo May 27, two days ahead of the 45th anniversary of the first ascent by Sir Edmund Hillary and Tenzing Norgay. In 1989 and 1995, he attempted to climb, Everest but failed because of bad weather.

Whittaker, fitted with an artificial leg, first tried to climb, Everest on May 20, but turned back because of a pulmonary;

Sheikh Assails U.S. Policies

Emirates Leader Decries 'Unjust' Stance in Mideast

By Douglas Jehl New York Times Service

ABU DHABI - In the wealthy lands that

border the Gulf, dollars speak loudly, as they did with an announcement a few weeks ago that

the United Arab Emirates would buy 80 Amer-

enormous booo that would cement military

and economic ties between strategic partners.

But words have currency, too, and to spend an

hour with the octogenarian who has presided

over the transformation of the United Arab

Emirates from a parched, poor country to one

rich enough to acquire so much military hard-

"It would have sincerely been our wish to

see American policies that are far more strict on the side of justice." Zaved ibn Sultan an Na-hayan, ruler of Abu Dhabi and president of the

United Arah Emirates, said in a rare, 75-minute interview with a Western journalist, in which the sheikh's professions of affection for the

United States were wrapped in expressions of

If the United States does oot succeed soon

deep misgiving about its Middle East policy.

in breaking the deadlock between the Israelis and the Palestinians, Sheikh Zayed said, "It would be like unleashing a wild beast into the

In a year in which Arab public opinion has been inflamed by the Israeli-Palestinian stalemate and U.S. policy toward Iraq, Sheikh Zayed is hardly the only Arab leader who is feeling bitter. But he is old enough, at about 85 telemater is no preceded of exactly when he was

(there is oo record of exactly when he was

born), to have become uousually plainspokeo, and his complaints reveal the depth of frus-tration felt by Arab leaders whom Wash-

'As close friends of the United States, we

would not have wished for America to be like

this," Sheikh Zayed said. His country was an

important ally of the United States during the

Gulf War, but Sheikh Zayed made clear that

ington couots among its closest allies.

are is to bear a more complicated tale.

ican-made F-16 fighters in a S6 billion deal. In Washington, the selection of Lockheed Martin Corp.'s F-16 was portrayed as an

# Big Turnout

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"For a Better republic of a second Mema Ba friend but now to Montenegati and Mr D a... together .....

the late (see been countries Mr. Burns camp — Ir Will predicted a final negni rite. .... We and it.

and I have t evervating Political training daily non-puper in

ou the Palestinians to be softer in seeking to He accused the United States of having failed to act as a neutral mediator, so that "in all its initiatives and policies, whatever the Palestinians say and accept is discarded; whatever the Israelis want is imposed."

And while the United States has made clear

its plan to maintain pressure on Iran as long as Saddam Hussein remains in power. Sheikh Zayed strongly suggested that it was time to welcome the Iraqi leader back to the Arab fold oo the grounds that he has suffered enough for

Sheikh Zayed still possesses a firm hadd-shake and sharp mind, and is respected well beyond his country of 2.4 million people.

He was among the first Arab leaders to suggest that the time has come to end economic

sanctions against Iraq. His country has recently

taken a leading role in sending food and other supplies to ease suffering among Iraqis.

ican mediation efforts have leaned too heavily

toward Israel, even given the recent tensions

In the interview, held recently at his beach-

front palace, Sheikh Zayed said he believed

that the recent American military buildup in

the Gulf was, in part, intended to put pressure

between American and Israeli officials.

He has been blunt in suggesting that Amer-

the 1990 invasion of Kuwait.

He was unjust, and because he has committed this great unjustice, he was faced with a serious and severe retribution to punish him for the injustice that he has committed, 'Sheikh Zayed said. "We believe that the time has come to say enough is enough, because

wheo we look at him what do we see? "We do not see a forceful country that stands to threateo others. We see a sick and tired and hungry and naked country that stands there in order to be helped.

"How much longer can yoo go on giving retribution to a country that is tired, that is sick how long can you go on with it?"

In part because of such views, some analysts had expressed doubt that the Emirates would choose to buy American in the fighter-jet deal But Sheikh Zayed gave no indication that h saw any contradiction between his criticism of

## he believes Washington's approach in the region has since become fundamentally misguided. U.S. policy and the weapons deal. **Socialists Leave Japan Coalition**

By Nicholas D. Kristof

TOKYO - Japan's four-year-old governing coalition fractured over the weekend as the Social Democratic Party formally announced that it would quit and strike out on its own.

It is a measure of how far the Social Democrats, or Socialists, have fallen in popularity that their departure will scarcely matter. The Liberal Democratic Party, which has dom-insted Japanese politics since the 1950s, will continue to govern Japan, with no need for new elections or a cabioet reshuffle.

The collapse of the coalition Saturday had been expected and was not seen as causing any particular instability. The Liberal Democrats have a slight majority in the House of Representatives, the more important chamber of Parliament, and therefore believe they do not need the coalition to maintain power.
In addition, the Social Democratic leader,

Takako Doi, said that her party would support the government of Prime Minister Ryutaro Hashimoto in a no-confidence motion that the opposition parties are planning. Miss Doi said that her party could not vote

to condemn government policies that it had helped to formulate. "We can hardly say we

See our

International Franchises every Wednesday in The Intermorket are not responsible" for current problems, sh

The coalition, formed in June 1994, hi always been an improbable blend, a triumpl of amhition over principle. It united the Lib eral Democrats, who despite their name ar conservatives, with the Social Democrats

who were then known as the Socialist Party Ironically, oothing so undermined the So cial Democrats as proximity to power. For decades they had formed the main opposition party in Japan, and there was occasional talk that they might even be elected to form government on their own.

In contrast, they are now withdrawing from power weakened and almost irrelevant, and i is unclear how much longer the party will even survive. The role of the mainstream liberal opposition has been taken over by

another group, the Democratic Party.
In retrospect, the Social Democrats peaked at precisely the moment that seemed their finest hour the ascension of Tomich Murayama, as head of a government coalition in 1994. It seemed an extraordinary triumple for the political left to place a socialist at the top of the world's second-largest economy hut the experience with Mr. Murayama profoundly soured the Japanese electorate on his party. The problem was not that Mr Murayama was perceived as a hard-line left-ist, but that voters saw him as little more than an opportunist.

The governing coalition also includes an even timer party, the New Party Sakigake, which has also said that it plans to withdraw from the coalition. Sakigake's departure would be even less noticed than that of the Social Democrats.



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**DNA Testing** Helps Police In Germany

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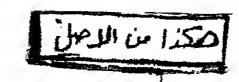
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**EUROPE** 

# City of London, an IRA Target, Starts to Relax

By Tom Buerkie

LONDON - At the so-called ring of steel, a network of security checkpoints installed after the Irish Republican Army detonated two truck bombs in the early 1990s, the police continue to mootitor every vehicle entering the City of London financial district.

But in the City's boardrooms and bars, there is a sense of relief after the vote last weekend in favor of the peace agreement in Northern Ireland. Even if security remains visibly tight, the prospect of a permanent end to the threat of IRA terforism is lifting spirits in an area that has been a prime target of the bombers.

"If that threat goes, there will be a sigh of relief in the Ciry," said Judith Mayhew, director of policy at the Corporation of London, the agency that promotes the City financial district.

I would have thought the threat in mainland Britain would be drastically reduced," said William Gutteridge, director of the Research Institute for the study of Conflict and Terrorism.

Such a turn of events would certainly be welcome bere. Since the IRA extended its terror campaign from Northern Ireland to the British mainland in 1972, terrorists have killed 121 people in Britain, wounded more than 1,000 and

caused hillions of dollars of damage.

The economic damage has been par-The economic damage has been particularly acute in recent years as the IRA switched its emphasis from overtly political targets, like the 1984 Brighton bomb attack on then-Prime Minister Margaret Thatcher that killed five people, to financial targets.

In April 1992, an IRA bomb in the heart of the City of London destroyed the Baltic exchange and heavily damaged

Baltic exchange and heavily damaged several office towers, killing two people and causing £350 million (\$570 million) in damage. A year later, a truck bomb in nearby Bishopsgate killed one person and caused £650 million in damage. What happens in Northern Ireland

affects us minotely in Manchester, said Pat Kearney, a city councilor who is overseeing reconstruction of the northern city's central business district from the devastation of an IRA bomb in 1996. Fireworks displays routinely spark calls from resideots fearful of a renewed attack, he said. If the peace process stays on track, "the nerves of the people in Manchester will be calmed," Mr. Kear-

So far, the signs are promising. There has not been a terrorist attack on the mainland since the IRA renewed its cease-fire in July 1997. Pool Reinsurance Co., a government-backed company set up in 1993 to provide businesses with coverage against terrorist attack, slashed insurance premiums by 20 percent to 40 percent this year and will consider further cuts next year, said the company's chief

executive, Leslie Lucas.

While the police presence remains strong in the City of London, the mood 'very moch more relaxed," Mr. Lucas said. "There doesn't seem to be any real terrorist threat."

To be sure, no one expects the security measures built op over years of terrorist threats to be dismantled soon. The Irish threat could actually increase in coming months if splinler terrorist groups believe this is their last chance to disrupt the peace process, said Jonathan Eyal, director of the Royal United Services Institute.

Like other major cities, London also remains vulnerable to any number of threats, both homegrown and foreign. Two weeks ago, London policemen arrested nine people for alleged connec-tions with Algerian terrorists, and earlier this year the police arrested a man for planting a series of small bombs at banks and supermarkets in an apparent extortion bid.

"Any apparent slackening of security alertness might encourage other terrorist groups to use London as theater,"

Mr. Gutteridge said.

And in one of the ironies of the war on terrorism, the ring of steel that was erected for security reasons has proved so successful at cutting traffic into the City of London that authorities are considering extending the measure in an effort to reduce congestion and pollution.

■ 10 Police Hurt in Ulster Riot

At least 10 policemen were injured Saturday when rioting erupted in the lown of Portadown, a major flash point in Northern Ireland, police said, ac-

cording to Reuters.

At least three civilians were also injured in the rioting, the first clash on the streets of the British province since April's historic peace accord was over-whelmingly backed by voters May 22.

A march by the Protestant Orange Order celebrating their links with Bri-tain had passed off peacefully earlier in

#### Sinn Fein Snubs **Party With Prince**

LONDON — Irish republican leaders on Sunday rejected an invitation to a Northern Ireland garden party with Prince Charles, whose great uncle, Lord Mount-

batten, was killed by the IRA. Gerry Adams and Martin McGuinness, leaders of the Irish Republican Army's political wing, Sinn Fein, declined because the beir to the throne is the command-er-in-chief of Britain's paracoute regiment.
The regiment has always been

reviled by Irish republicans for its involvement in the 1972 "Bloody Sunday," when British troops killed 14 Roman Catholic protesters in Londonderry.
The invitation for Wednesday's

party was extended by Britain's Northern Ireland secretary, Mo Mowlam, who had said they might well refuse.
Mr. Adams and Mr. McGuinness

have never taken up their seats in the British House of Commons because they refuse to swear alle-giance to the crown.

#### BRIEFLY

#### 6 Killed in Kosovo, Ethnic Albanians Say

PRISTINA, Yugoslavia — Six more people have been killed and another 11, including six children, have been wounded in heavy fighting over the last three days in a part of Kosovo sealed off the state of by Serbian police, ethnic Albanian

sources said Sunday.

The latest word on casualties, delayed by the police blockade and a communications breakdown, raises the death toll to about 20 this past week in fighting between government forces

and independence-seeking militants.
The Kosovo Information Center, which is close to the ethnic Albanian political leadership, said the new casualty report from the Decani area in western Kosovo was delayed because police sealed the area and launched an offensive against the clandestine Kosovo Liberation Army.

#### Kohl Allies Question 'Red Scare' Strategy

BONN — Some members of Chan-cellor Helmut Kohl's conservative coalition are growing uneasy with his efforts to link his opposition with former Communists, saying the 'red scare' campaign is misguided.

He who thinks that we can very simply win elections with this campaign is off-target." a key state lawmaker from Mr. Kohl's Christian Democratic Union, Lorenz Caffier, said Sunday.

Mr. Kohl has blasted his rivals, the Social Democrats, for joining forces with former Communists to stay in power in the eastern state of Saxony-Anhalt. He says the Social Democrats would do so nationally if they prevail in national elections in September. (AP)

# Spain Politician Quits Over ETA 'Abduction'

MADRID - A Spanish town comcillor who says he was kidnapped by the Basque separatist group ETA resigned Sunday from the governing Popular Party but insisted he had not faked the

Authorities have said the -story that he was abducted by members

of the group in southern Spain, drugged and taken to the Basque country, where

he escaped from his captors.

But Mr. Rubia, 26, insisted he had told the truth. He said he had resigned from the center-right party after party officials made clear they would expel him if his story had been made up.

# **Big Turnout in Montenegro**

#### Parliamentary Elections Could Again Split Yugoslavia

PODGORICA, Yugoslavia - Mootenegrins turned out in large oumbers Sunday for parliamentary elections that could result in the

final rupture of Yugoslavia. The vote in the smaller of the country's two remaining republics pits supporters of President Slobodan Milosevic of Yugoslavia against his opponents. President Milo Djukanovic of Montenegro bas vowed to try to unseat the Yugoslav leader if his coalition "For a Better Life" wins the elections for the republic's Parliament.

Momir Bulatovic, Mr. Djukanovic's former friend but now his foe, in turn vows to topple the Montenegrin president if his party succeeds.

First results were expected Monday. Mr. Djukanovic and Mr. Bulatovic, who rose together under Mr. Milosevic's patronage in

the late 1980s, are still neighbors and voted two hours apart at a school in central Podgorica.

Mr. Bulatovic, 42, made it clear that his camp—and Mr. Milosevic—are unlikely to accept a victory by Mr. Djukanovic. Polls predicted a narrow victory for the Monte-negrin president among the 423,000 voters. "We are the strongest party in Montenegro,

and I have oo doubt that we will win - if everything is legal," Mr. Bulatovic said.

that monitors from the 54-nation Organization for Security and Cooperation in Europe were not welcome if they bad come only to confirm a result rigged in advance.

Politika's publishers in Belgrade said that editions containing the editorial had been confiscated by Montenegrin police. Mr. Djukanovic warned that the police -

considered loyal to him - were ready to protect state order if necessary.

Warmly cheered and applauded by crowds waiting to vote Sunday, Mr. Djukanovic expressed hope that "all parties which are taking

part in the elections have sufficient wisdom to recognize the results, whatever they are."

"I bave oo doubt that the people of Mootenegro will vote for themselves and democracy will triumph," added the president, who has received strong U.S. and European support for his reforms and for including minorities such as ethnic Albanians in his government.

The tension between the Djukanovic and Bulatovic camps could lead to post-election violence in this rugged, mountainous land, where most of the 630,000 residents keep arms at bome and traditionally are divided into strong, rival clans.

It is also possible that Mr. Milosevic will decide on federal intervention from his cap-Politika, the most strongly pro-Milosevie ital, Belgrade, saying that he most stop the daily newspaper, said in an editorial Saturday final rupture of the Yngoslav federation.



President Milo Djukanovic of Montenegro being hugged by an admirer as he went to vote Sunday.

half-owoed by the government but cootrolled by Boris Berezovsky, a minority shareholder and one of Rus-

sia's powerful business tycoons. She called the station's relations with the

"I have said to the people in power, Gentlemen, if this channel is a polit-

ical instrument for you, theo you

should take care of it, ourture it, give it money,' "she said. "If you are not

going to belp, theo don't interfere.'"

At a time when Russia's political

and business interests have divided up

television stations and newspapers

among themselves, the debate quickly

than television," said Mr. Dobrodeyev,

reminding his audience bow the media

had sacrificed objectivity in 1996 wheo

they supported Mr. Yeltsin in his con-

test against a Communist candidate.

"Then it was not just an election of a

president. It was a more serious choice,

It has been seveo years since the old

Soviet system of cootrol and censor-ship began to be dismantled, with the appearance in 1991 of a news program,

Vesti, that provided viewers with fresh faces and real information. For the first

time it provided the government's stodgy, tight-lipped nightly news show, Vremya with competition.

But old habits linger, even after the

collapse of Communism, as NTV

learned after its unvarnished version of

the Kremlin's brutal efforts to suppress

"NTV spoke the truth about the war in Chechnya

and journalists on our channel were faced with criminal charges." Mr. Gusinsky's business em-pire cootrols NTV and other media outlets.

the government's new company, which they

Some Russian analysts take a benign view of

involving the fate of the country.

"Televisioo in Russia today is more

government absurd.

turned political.

# Helps Police In Germany

The Associated Press FRANKFURT - Using genetic evidence to hunt for the killer of an 11-year-old girl, the police here say they have netted a confession following voluntary DNA testing of 16,400 local men — the largest such genetic testing ever carried out in Europe.

A 30-year-old mechanic previ-

ously convicted of rape was arrested Friday in northwestern Germany after his DNA matched evidence found at the scene of the rape, stabbing and strangling of Christina Nytsch. He has confessed to the crimes, the police said Saturday.

The girl disappeared March 16 on ber way bome from a swimming pool, and her body was found five days later in woods near her borne in Struecklingen, a village of 3,500 people near the Dutch border.

The suspect, from a oeighboring town and the father of three young children, also confessed to the rape in January 1996 of another 11-yearold girl, said Hans-Juergen Thurau. chief of police in nearby Cloppenburg. The police did not release the suspect's name, but local residents and media reports identified him as Ronny Rieken. He was detained on charges of murder, rape and ab-

The suspect was among the thoosands of men who voluntarily supplied samples for DNA testing last mooth for the investigation into Christina's death. The police used newspaper announcements to summon meo from the suspected age group of 18 to 30 to have their mouths swabbed with cotton to collect saliva samples.

The police said that DNA from a knife found at the scene of Christina's murder matched DNA from semen taken from the girl raped in 1996. Based on that girl's description of her attacker, the police decided to screen men from 18 to 30 years old.

Voluntary, hlanket DNA testing has been used only occasionally in Europe, mostly as a last resort after a long investigation and usually in communities of no more than a few thousand people or fewer. It is untried in the United States.

Mass DNA testing helped the police in Wales catch a killer in 1996. It was also used successfully in a 1986 rape and murder case in central England.

But voluntary DNA tests of 700 people in a town in western France have failed to help the police investigating the murder of a 13-year-old British girl.

# DNA Testing | Kremlin Tries to Re-enter the News Business

By Celestine Bohlen New York Times Service

MOSCOW - With financial markets crashing, floods in Siberia and a miners' protest that blocked the country's main railroad, Russia has had a lot of bad oews lately. Too much, according to President Boris Yeltsin, who called in the directors of three national television channels to complain about negative coverage.

Armed with reports documenting the impact of news broadcasts on the miners' weeklong sit-in on the Trans-Siberian railroad, Mr. Yeltsin said be was not trying to dictate how Russia's media should cover events.

"We have the right to - I don't want to use the word 'demand' - we have the right to ask you to carry out state policy on television," he said. "That's all we want, no more."

The president's comments came at a sensitive moment. This month the Russian government started putting together a state company that will coordinate the operations of state-owned television and radio stations, regional as well as national, and manage the sites that transmit private channels' broadcasts.

The oew holding company was quickly seen by Russia's powerful private media groups as the Kremlin's attempt to regain its old pride of place in the country's media markets. Even its name — the All State Television and Radio Company - smacks of the Soviet Unioo's all-smothering media organization, Gosteleradio.

Oleg Dobrodeyev is general director of NTV, the only wholly private television station that was represented at the meeting. As he put it, "Given that we are dependent oo a great number of technical factors - from access to airwaves to office space we rent from the state television center — then the creation of such a state stronghold can't help but disturb people

who work in television."

Mr. Yeltsin's meeting Thursday with the television officials — held before television cameras — was supposed to reassure them that this was not the case. "We don't want to take televisioo into our own hands," he said at one

But his listeners were well aware of the strategic importance of televisioo in Russian elections during the next two years. They focused on comments that sounded ever so much

The Associated Press

MOSCOW - Russian mission control of-

ficials said Sunday that the computer failure

aboard Mir had not affected the space station's positioning "too badly," a press agency re-

Space officials said the crew replaced the

computer Suoday with another that had been

brought aboard earlier this year, the Interfax

press agency reported. It said testing of the new

The computer shot down Saturday, three electricity use.

computer was successful.

Mir Gets New Computer After Failure



WHEN CZARIST EYES ARE SMILING - Before a giant poster of Peter I in St. Petersburg, a conductor of a military orcbestra readies the downbeat.

like a Soviet boss of old, looking for ways to control bad news. separatists in Chechnya. 'In 1994 and 1995,' said Vladimir Gusinsky, Mr. Dobrodeyev said of Mr. Yeltsin, "He is

convinced, as are others in authority, that the miners' actions were exaggerated by the mass media, television in particular." He also said the president's briefing papers resembled KGB reports of old. "I said that in a situation when the country has been cut in half by the miners' actions, to pretend that nothing is happening would be like pouring oil on flames."

The debate over cootrol of Russian televisioo burst into the open last week all across Moscow. Capitalizing oo the audience provided by the International Press Institute's

the podium to complain, with each side accusing the other of manipulating informatioo.

Xenia Pocomaryova heads ORT, a channel

nnnal congress, held bere for the first time, Russian journalists and politicians lined up by

days before the U.S. space shuttle Discovery's scheduled liftoff on a ferry flight to the Russian

The computer failure disabled Mir's motioo-

biting Earth with its solar panels improperly aimed, a National Aeronautics and Space Ad-

Itar-Tass said Sunday that the station's en-

ministration official said Saturday.

say will provide balance to private media empires that have oot been shy about promoting their own interests. "The state was not the first to create an information empire," noted Nikolai Petrov, an analyst at the Carnegie Endowment for International Peace in Moscow. "In this sense,

the government's move is an attempt not to cede control to the oligarchs." Nor does anybody believe - for all of Mr. Yeltsin's nostalgia for the kind of good oews that was Soviet nightly fare — that there is any dauger of turning back the clock.

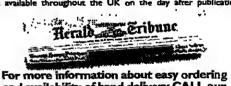
But skepticism about television - whether influenced by the government or by private interests - has become ingrained in the minds of Russian viewers. At a television awards ceremooy, Russia's favorite stand-up comedian, Mikhail Zhanetsky, poked fun at television's top opinion makers who, he said, "tell us every week what we think is going to happen to

cootrol system and the space station was or-"Just because ratings are high doesn't mean we like what we see," he added. "It just means we are watching. If my apartment had only one window, then it too would have a high rating, ergy system was, however, functioning norhigher than the stove, the door or the toilet 1 mally, although the crew had to cut back on will only look at the window, but then again,

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#### EDITORIALS/OPINION

## Surprised by Y2K?

ably wake up with a hangover. But it will be nothing compared with the one fell by computers and computerized systems all around the globe, many of which will awake not to Samrday, by some calculations the dawn of a new millennium, but to Monday, Jan. 1, 1900. Because much computer bardware and software have, until recently, stored years in two-digit forms - 98, not 1998, for instance - their internal clocks will make a disastrous mistake when they roll over to 00, interpreting it as 1900, not 2000.

This is the millennium bug, or, as it is also known, the Y2K (Year 2000) bug, a problem that will cost American husinesses \$50 billion to fix. The problem affects some personal computers talthough not the Macintosh, which will face problems of its own in 2019 and 2040, some mainframes, and many of the processors and chips that bave made their way into every aspect of modern life.

If the ambiguity is not resolved, a form of systematic chaos may ensue.

On Jan. 1, 2000, the world will prob- affecting banks, financial markets, ground and air traffic control, even the time locks that open businesses. As a result, Y2K fever is mounting. The World Wide Web spills over with analyses and proposed solutions. President Bill Clinton has signed an executive order requiring that "no critical federal program experiences disruption because of the Y2K problem." Y2K consultants and Y2K companies are flinging themselves into the breach.

All of this came about because when computers were rare and costs of memory and storage were high, it was more "efficient" to use two digits than four to indicate the year. This is the kind of efficiency we have come to expect from the computer and software industry, the kind that can turn an inefficiency into a bonanza. It seems odd, somehow, that in an industry that is downright apostolic about the future. and whose pundits make more prognostications than a Ouija board, no one saw the millennium coming until it was just this close.

—THE NEW YORK TIMES

## Disarming in Ulster

On the paramount issue of taking the guns out of politics, the Northern Ire-land peace agreement of April 10 was admirably clear. The language on 'de-commissioning' — disarming the ter-rorist paramilitaries on both the Catholic and the Protestant sides commined "all participants" to "total disarmament" within two years, starting this June. No conditions or qualifications were inserted to soften the

mandate of peace. How startling, then, to learn from the British press that some of the backers of the agreement are signaling a different approach. Officially, the British government adheres strictly to the text. Yet others suggest that Sinn Fein, a wing of the IRA, instead of being pressed for actual decommissioning, may simply be asked for a renunciation

Senior security officials, the Financial Times reports, believe that forcing a weapons handover now would be counterproductive - would strengthen residual terrorist groups and weaken the republican movement's majority support for the peace process. A "se-nior UK minister" is quoted as saying,

missioning, along with police reform to give Northern Ireland Catholics greater confidence in law enforcement, would be the toughest issues of peace to enforce. Optimists or, they might prefer, realists have suggested relying on a strategy of "trust and rust" - not insisting on the disarmament process anticipated in the peace agreement but rather counting on the gunmen simply to throw their weapons into a bog. But this is not what the agreement said. It promised not only the security flowing from disarmament but the confidence

It is barely a week since the agreement was finalized by referendum. Any hints of a departure from its specific terms, especially on the issue of

- THE WASHINGTON POST.

PRINCETON, New Jersey — India and Pakistan's nuclear tests are a challenge that can be met in either of two ways. One would be to simply recreate the nuclear status quo with two more nuclear weapons states and accept the enormous dangers for the people of India and Pakistan and the rest of the world. The alternative would be to take international steps to devalue nuclear weapons' possession by moving the nu-

clear goalposts toward disarmament. The history of the past 50 years teaches that nuclear weapons are unusable for rational military purposes and that their existence makes ordinary human miscalculation or madness potentially catastrophic.

Yet the nuclear weapons states act as if they are giants in a world of pygmies - creating indignation in many countries and a temptation for nationalistic parties like India's newly governing Bharatiya Janata Party.

The demands being made by the international community are that India and Pakistan not test again, and sign the Comprehensive Test Ban Treaty. It appears that India may be willing to do so.

Brajesb Mishra, principal secretary to India's prime minister, has announced a testing moratorium, adding that "we would like to convert the moratorium By Zia Mian and Frank von Hippel

into a formal obligation." And Indian weapons scientists claim that they can maintain and further develop their nuclear weapons expertise in the same fashion as the United States, with subcritical tests and computer simulations.

Pakistan's leaders may not feel themselves to be in the same position. especially if they believe India's claim that it can now produce thermonuclear weapons of unlimited power.

Indian officials have also indicated that New Delhi will drop its opposition to international negotiations to ban production of highly enriched uranium and plutonium for weapons, the fissile material cutoff treaty. India's position now appears to be that if it can keep what it has and produce more during the negotiations, it is willing to negotiate.

Pakistan, which has a much smaller stockpile, is much less positive. On May 19, Munir Akram, the Pakistani ambassador to the Conference on Disarmament, declared that, in Pakistan's view, the fissile material treaty is 'an entirely irrelevant goal at this moment."

India is behaving like a state that has successfully broken into the nuclear club, and Pakistan, after hesitating over the likely ruinous price of membership. bas decided that it must join as well. Israel slipped in long ago, thanks to U.S. willingness to cast a blind eye in its direction. Other states such as Iran and Iraq, and then perhaps South Korea.

Taiwan and Japan, wait in the wings.

To break this dynamic, the United States, Russia and the other charter members of the club must make it more credible that they really intend to put the club out of business. The first step would be to end the civilization-endangering practice of keeping nuclear missiles on hair-trigger alert, a posture that India

and Pakistan are threatening to imitate. The United States should immediately ratify the test ban treaty and thereby encourage Russia and China 10 ratify. (Britain and France already bave.) Bringing the treaty into force is a key first test of the world's willingness to walk away from nuclear weapons.

The United States, Russia and China should underline the irreversibility of their commitment by shutting down their nuclear test sites. (France already has. Britain, which has no test site of its own, used that of the United States.)

The United States should cut back drastically its lavisb "Stockpile Stewardship Program," which inspires fears

The Solution Is to Get Serious About Disarmament both at home and abroad that it intends to continue the nuclear arms race alone.

The United States, Russia, Britain and France should act on their 1996 com-minment to place excess fissile materials under international safeguards as soon

Russia and the United States could as possible. start by immediately committing to reduce their stockpiles of unsafeguarded fissile materials to the levels required to maintain only the 2,000 to 2,500 strategic warheads that bave been agreed for for START-3. This would capture nonstrategic and nondeployed warheads as well, achieving a more than 90 percent reduction from peak Cold War levels.

They should also announce that they intend to reduce further to I,000 ward heads each, and to organize multilateral negotiations on much deeper cuts to levels that would provide a staging ground for negotiations on abolition.

Only by making clear that the nuclear game will end soon can we reduce the incentive to begin playing.

Mr. Mian is o Pakistoni physicist ond a research associate at Princeton Uni-i versity. Mr. von Hippel is a professor of public ond international affairs at Princeton. They contributed this comment to The Washington Post.

of violence.

"Less crucial than ownership is the question of whether arms are actually used." Meanwhile, unhelpfully, Sinn Fein's Martin McGuinness says his party is not going to fall into the "trap" of putting decommissioning on top of the political agenda.

It was always evident that decomflowing from the spectacle of orderly, verified disarmament.

disarming, can bring no good.

## India and Pakistan Were Better Off Before These Tests

By Steven R. Weisman

TEW YORK — India and Pakistan could not have at a navy base on the Bay of asked for a clearer example of Bengal, he acknowledged inthe futility of nuclear arms grandstanding than the one they dia's nuclear capability but was preoccupied by the possibility have set themselves. Now that Prime Minister that Pakistan might declare its nuclear capability.

Nawaz Sharif has answered India's test blasts with his own, India needs to face a fundamental question. Why did Prime Minister Atal Bihari Vajpayee give up the advantages of nuclear ambiguity in favor of an action that has clearly worsened his country's security?

A decade ago, I talked with Prime Minister Rajiv Gandhi about the virtues of keeping India's nuclear capability in the shadows even though India's military and scientific establishment was pushing for a bolder approach. His thoughts then are relevant today.

Mr. Gandhi was in a reflective mood after an exhausting day of campaigning. Over dinner that stretched past midnight rightful place in the internation-

"If the Pakistanis get the bomb, I really don't know what we're going to do," he said with a sigh. He agreed that Pakistan also had an interest in maintaining an Israeli-style ambiguity about its possession of nuclear weapons, but added that domestic politics would likely drive Pakistan to proclaim its

nuclear status, He was right about the motive but wrong about which subcontinent country would go first. Indians at first rejoiced after

the country's tests this spring. Their bunger for self-respect and the respect of others was obvious as Mr. Vajpayee declared that India bad taken "its

al community," Now that Pakistan has answered, Indians may bave second thoughts, because their security is more precarious than ever.

Since neither capital could survive a first strike, for example, might either be tempted to carry one out? An entrenched ethnic and re-

ligious rivalry along a disputed border could provide the initial spark. Short of nuclear threats, Pakistan has the ready ability to keep stirring trouble in India's Muslim-dominated border state of Kasbmir. Bnt India surely bears most of

the blame for its predicament. The world had presumed since an Indian test in 1974 that it bad the bomb, and Pakistan was warily watching it develop short- and medium-range missiles to deliver it. But by so conspicuously showing off its nuclear might, India not only

forced Pakistan's band. It also threw both Pakistan and China on the defensive and, if anything, cemented an alliance between them that India had said was its main threat.

The United States, which had made progress improving relations with India after essentially siding with Pakistan throughout the Cold War, is now distrustful of India.

Mr. Gandhi was not wrong about Pakistan's nuclear potential, Around the time of our interview, an enterprising Pakistani journalist, determined to force the issue, managed to get A. Q. Khan, the top Pakistani nuclear scientist, to reveal his country's ability to make bombs. That stirred a furor in Washington and New Delhi. eventually forcing President George Busb to impose sanctions on Islamabad. Today mat journalist is the information minister.

India's nuclear provocation

pathy on Kashmir. India's once hopeful demand to sit on the UN Security Council is probably dead. As for economic security. the debate in India's Parliament last week revealed growing anxiety over the losses in aid and overseas investment.

In return for little gain, India's actions have hurt its poorest citizens. The sbots of nuclear adrenaline to the Indian and Pakistani body politic will be short-lived, replaced by anxiety and deprivation.

After feeling rankled by the West's attention and respect for China, and tired of what it considers to be its own secondclass status in world affairs. India has got the attention it wanted, but it may yet look back fondly on the days of neglect.

One can only bope that for the same political reasons that drove t. n to act. India and Pakistan will learn the wisdom! of restraint.

## Colombia's Military

didate Colombians have chosen in elections on Sunday, the new president also keep its institutions responsive to will take over a government whose democratic control. powers are tightly constrained. The problem is not just left-wing guerrillas or right-wing paramilitaries. The counrry's civilian institutions are also being

eroded by its own military.

One attempt to wrest back civilian control, a reform of the military justice system, is now in Congress and is being sabolaged by the armed forces. Its pas-sage is crucial to the cause of protecting hunan rights and democratic government. The government proposal does not go far enough, but it is a vast improvement over the current system. which shields an abusive military.

Typically only in cases of extreme public pressure does the military turn soldiers, even those accused of torture or massacres, over to civilian courts. In military courts, a soldier's judges often include his direct superior. The outcome of such cases is foreordained virtually always an acquittal.

Colombia's constitutional court ruled last year that military courts may not judge soldiers accused of human rights crimes. All such cases should have been transferred to civilian courts. Due to military defiance. however, very few have been.

The reform bill would restrict military jurisdiction to acts related to military service. Among other changes, it specifies that human rights violations such as torture, rape or forced disappearance must be judged in civilian courts, as they cannot be part of a soldier's legitimate duties. The bill would bar a defendant from arguing that he was only following orders - a defense that is almost always successful — when the order was for an illegal

act, such as torture. Although Colombia's military leaders claim to support the reforms, members of the armed forces are working with senators to weaken the bill, which

No matter which presidential can-will be debated this week. As Colombia acquires a new president, it must

-THE NEW YORK TIMES.

#### Other Comment Gingrich Out of Order

House Speaker Newt Gingrich is thinking about running for president two years bence, but apparently be already imagines bimself to be the secretary of state. The only requisites be lacks for that job are tact, diplomacy and an understanding of how U.S. for-

eign policy is supposed to work. Heading a congressional delegation to Israel last week, Mr. Gingrich labored mightily to undercut the Clinton administration's program to encourage peace between Israel and the Palestinians. That effort is not above criticism. But tradition dictates that elected officials refrain from attacking their country's foreign policy once they cross the water's edge. The more prominent the official, the greater the

responsibility for speaking cantiously. A few weeks ago, Mr. Gingricb denounced Secretary of State Madeleine Albright as "an agent for the Palestinians." That fatuous characterization impugns not just the secretary's credibility as an bonest broker between Israel and the Palestinians but her very loyalty to the United States.

There is more. Prime Minister Benjamin Netanyahu says Israel must have \$1 billion in foreign — meaning U.S. — aid to enhance its security should it pull back any further on the West Bank. The money would go mainly to build roads to connect Israeli settlements. Mr. Gingrich thinks this is a fine idea. But the position of the U.S. government for 30 years has been that Israel's settlements are, at a minimum, an impediment to peace.

- Los Angeles Times.

#### Nuclear Boys, Behaving Badly, Defy the Rest of World By Mary McGrory

WASHINGTON — The American television sit-A similar series is being enacted on the world stage by making right now in real life, and it is the earth tremble. He is a naknown for its cosmic obscenity.

All over the world, men are trifling with the fate of the planet and the lives of people wbo have committed no greater offense than to be born at a time when there is an absence of seriousness in high places. The new prime minister of

tionalist who wished to establisb his machismo by setting off five nuclear devices, vaporizing the policy of nuclear nonproliferation to kingdom come and leaving ashes where there was once a rational and reasonable plan for a test ban treaty, The explosions have stunned

that bave threatened peace since

their friction over Kashmir seemed at a normal level. India's new government campaigned on a platform of nuclear aspiration. The nation-

alist party insisted on "re-

they both came into existence.

bave burled themselves into the

nuclear age at a moment when

democracy and have staggering social problems.

What made the doomsday development especially appalling was the way many Indian people received it. There was dancing in the streets.

There was a time when India was given to lecturing the West from a position of moral superiority. But now lofty India

spect' from nuclear nations. wants to be one of the nuclear there are other ways of earning boys. People who can't read, com "Men Behaving Badly" India. Atal Bihari Vajpayee, the world India and Pakistan, the world's respect particularly write or feed their children are was renowned for its vulgarity. sought to open his engagement with profound Islamic-Hindu if you are the world's largest forgetting these lamentable circumstances in the ghastly glory of being able to burn the planet or their enemies to a crisp.

> India says it is now ready to consider signing the Comprehensive Test Ban Treaty. That is the hard way - particularly since Pakistan, after a few weeks on the sidelines, joined the dance of death.

Two large, poor countries in desperate need of schools, hospitals and education are strewing billions of dollars for nuclear development and putting the lives of millions at risk. India's illiteracy rate is roughly

50 percent. Pakistan's is 67. Why would not India listen to America before it took the irretrievable step? Perhaps because, the Indians said: America never listened to India. Genhave grown hoarse asking U.S. diplomats why they like China, a military dictatorship, better

than India, the world's most populous democracy. Pakistan did not listen to the West's pleas to take the high road on nuclear weapons, either. Prime Minister Nawaz Sharif sounded like the captain of a rival bowling team in his announcement of the reciprocal blasts. "We have evened the score with India," be said; in

heralding the "Islamic" bomb. Plainly, wisdom is needed to persuade the two leaders that they bave made their point and it is now time to think of the rest

of the world.

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HIROSHIMA — The near obsession of the United States with enlarging democracy in Indonesia, using the IMF as a weapon, is unprecedented in the history of the Fund, which is due this Monday to decide wbether to resume a multibillion-dollar loan package that is urgently needed to belp prevent an economic collapse in the world's fourth most

opulous nation. Misguided American policy threatens the strategic interests not just of America but also of

its allies and friends. Indonesia is made up of more than 17,000 islands. It is a mo-saic of different ethnic groups, religions and languages. The ar-chipelago straddles the vital international shipping straits that connect the Indian and Pacific oceans via the South China Sea.

The security of those waterways, including the Malacca Strait between the Indonesian island of Sumatra on one side and Malaysia and Singapore on the other, is a strategic interest of the United States because freedom of naval movement plus anclear weapons underpins

American security. Japan's maritime security is also vitally important for the United States. More than 80 percent of Japan's oil and much of the raw materials to fuel its industrial economy come via straits that pass through or close

The U.S.-Japanese security aty is designed to reassure oan that its key interests will be protected by the United States and that it does not have to develop an independent, offensive military capability of its own, which would almost certainly trigger a destabilizing arms race in the region.

Indonesia

Indonesia's President Suharto, who was forced to resign recently after a wave of protests, riots, arson and looimg, was no democrat. But he was a force for moderation in his external policies. He did much to stabilize Indonesia.

By Robyn Lim

about the only thing holding the far-flung archipelago together. The defense chief, General Wiranto, is savvy, but Washingion seems bent on making his job impossible.

may hope that by taking the IMF beyond its charter in attaching political conditions to loan packages, it can persuade the U.S. Congress to stop its misguided attacks on the Fund. That might help the IMF, but it will do little for Indonesia. in the longer term, demo-

cracy is no bad thing for the country. But single-minded pursuit of it now, at the expense of stability, cohesion and economic recovery, is lunacy. Can the IMF point to any case of democracy flourishing in the absence of a cobesive state or a viable national economy?

Having made the transition from Mr. Suharto's 32-year rule, Indonesia now needs time. This is nor just another dictatorship overthrown by people power. Indonesia is a cauldron of unresolved ethnic and religious differences, that was held together by Mr. Subarto's vision of national political integration and economic develop-

ment, backed by the military. Any attempt to make demil-itarization and full democracy the basis of U.S. policy on Indonesia, let alone the basis of continued IMF assistance, is

playing with fire. Where is the voice of the U.S. Defense Department, pointing out that a stable Indonesia has a critical role in balancing China? And where is the voice of the State Department, highlighting the key role of a stable Indonesia in continued regional cooperation?

Pressures are growing in Congress for independence for East Timor, the former Portuguese colony invaded and annexed by Indonesia in 1975 and 1976 when Mr. Suharto and the military were deeply worried by access and expansion of demo-Now the armed forces are the spread of Communist and

leftist influence in the region following the fall of Vietnam. Those who wish to aid the East Timorese should consider that a breakdown of the Indonesian state is unlikely to help The Clinton administration them much. Jakarta has been

> Timor cannot function as an independent economic entity. China, given the history of its meddling in Indonesia's internal affairs, is more than just an interested onlooker now.

pumping large amounts of

money into the province. East

In pursuit of a revolutionary foreign policy aimed equally at Washington and at Moscow China played and lost a high stakes game of power politics in Indonesia in the mid-1960s. With the Indonesian Communist Party as its instrument, Beijing sought to leapfrog American cfforts at containment in Vietnam and secure a strategic foothold on the vital shipping straits that

Indonesia controls. While no longer pursuing revolution. China is much stronger today. Its expanding economy and military muscle could provide the sinews of an expansionist policy in the region, unless domestic upbeaval also engulfs China.

Enjoying unprecedented strategic latitude, Beijing is expanding its political influence. unprecedented Its territorial claims to the disputed Spratly Islands in the South China Sea press on the Malacca Strait.

Against the background of that pressure, Indonesia and Australia formed a bistoric strategic alignment in 1995. And while the United States abandoned its remaining links with Indonesia's military to appease human rights constituencies at home during the recent crisis, Australia did not, It continued scheduled exercises with the In-

donesian armed forces. Washington does not appear to be learning from its mistakes. Driven by a push for market cracy, Bill Clinlon's early East

What Indonesia Needs Is Time for Reforms Asia policy was a near disaster. The Pentagon managed to claw back some influence over Japan policy for a while in 1996, when the security treaty was given a much needed upgrade. Then East Asia's financial turmoil put back into the driving seat of U.S. policy-making those who think that free market economics are all-important and that

> The arms race in South Asia should make Washington think again. India and Pakistan are democracies. Their nuclear rivalry has nothing to do with economics, and everything to do with power, status and security.

democracy is a panacea.

The writer, professor of international relations at Hiroshima Shudo University, preriously worked as on analyst in Australia's foreign intelligence assessment agency. She contributed this conuncut to the international Herald Tribune.

The Washington Post.

#### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Linotype Now PARIS - The Herald has just

made an innovation by introducing the Linotype type-setting machine. Few readers of a newspaper have any idea of the laborious toil required to put it into type under the old system. Every letter has to be picked up sep-arately out of the compositor's frame and placed in a steel clip in which he arranges the characters line by line. The slightest accident may destroy an hour's work in a few seconds. With the machine there is no such danger. Each line is a solid strip of metal, and should a number of lines be jumbled together, a few minutes

#### will suffice to rearrange them. 1923: After Lausanne

PARIS - [The Herald says in an Editorial:] What must strike any one who has studied the renewed negotiations at Lausanne is that the parties are still ignoring the

soundest principles of interna-tional polity and still inviting 'the wrath to come.'' The Versailles Treaty and its adjuncts prepared the way for future wars. The genuine interest of Europe in the Near East would dictate an approximate balance of power among the Balkan peoples. What is to be desired is an international adjustment that will reasonably content those people.

1948: Czech Elections PRAGUE - The Communist-

dominated National Front came within a fraction of its predicted 90-percent- majority in yesterday's vote [May 30] in Czechoslovakia President Ednard Benes was said to be considering his resignation after the expiration of the time limit for his signature on the new con-stitution. The president's attitude also takes into account displeasure over the type of vote employed in Czechoslovakia."

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#### INTERNATIONAL HERALD TRIBUNE, MONDAY, JUNE 1, 1998

## HEALTH/SCIENCE

# Grim Childhood Experiences Are Tied to Later Illness

By Sandra G. Boodman Washington Post Service

ASHINGTON -- People who grow up in families with an alcoholic, violent or mentally ill member, usually a parent, are more likely to suffer as adults from such serious physical problems as heart, lung and liver disease; cancer, or injuries, a study of more than 9,500 residents of San Diego has found.

The study is among the first to explore the relationship between adverse experiences in childhood and the development of physical problems years later. Published in the current issue of the American Journal of Preventive Medicine, the study was directed by Dr. Vincent Felitti, chief of preventive medicine at the Southern California Permanente Medical Group in San Diego. He was assisted by researchers at Kaiser Permanente, Emory University, the University of Arizona and the federal Ceneral C ters for Disease Control and Prevention.

Dr. Felitti and his team asked participants about childhood exposure to seven areas of abuse or severe family dysfunction and then compared the responses with chronic diseases and unhealthy behaviors that are the causes of many of those diseases. People who had been exposed to four or more adverse experiences in childhood were 4 to 12 times as likely as those who had not to be alcoholics, drug ahusers, heavy smokers or severely overweight.

Murray Straus, co-director of the Family Research Lah at the University of New Hampshire, said the study is important because it focuses on physical problems, which have received relatively little attention from researchers. Dr. Straus added that unlike earlier snudies, this one examined events that had

whose average age was 56.

"It's further evidence of the connection between the psychological environment and physical bealth status,"
Dr. Straus said. "There certainly haven't been large, well-designed stud-ies that looked at this."

Dr. Felitti said his interest in the roots of medical problems that result from seemingly intractable, sometimes dangerous behaviors was piqued by his experience a dozen years ago running a weight-loss program for severely obese patients. "We noticed the high dropout rates in this program, not among people who were not losing weight but among those who were successful," he re-

Intrigued, Dr. Felini probed further, "It turned out that for many of those people, weight was not a prohlem, it was

a solution, an effective way of desexualizing themselves. It provided a barrier against social contact," he said. He said he discovered that many of the program's dropouts "were from tremendously chaotic backgrounds and were still in chaotic situations because that was the only thing they were familiar with."

'What had happened in childhood." he said, "was casting an extraordinarily long shadow." Behaviors that seem counterproductive or are dangerous, he noted, can serve a purpose. Dr. Felitti cited the case of a current patient, a middle-aged woman who smoked five packs of cigarettes a day until several years ago, when she had one lung removed. She now smokes three packs a day, even though doctors have repeatedly told her that cigarettes are

"It nims out that she's an alcoholic with a long history of incest with her

father as a child," Dr. Felitti said. In her case, he added, smoking initially served as a way to help her cope and later became an addiction.

R. Felitti's study was based on a questionnaire administered to more than 13,400 patients who were seen in Kaiser's Health Appraisal Clinic in San Diego. one of the nation's largest free-standing medical evaluation centers. More than 70 percent of patients who visited the clinic from August to November 1995 and from January to March 1996 completed the surveys, which were mailed to their homes a week after they were seen.

The surveys asked questions about physical, sexual and emotional abuse in childhood and whether a household member was a wife-beater, an alcoholic or drug user, mentally ill, suicidal or

An alcoholic parent was the most common adverse exposure, reported by 25 percent of those surveyed. The least common risk factor, reported by fewer than 4 percent, was an imprisoned relative.

Twenty-two percent of those sur-veyed reported a history of childhood

sexual abuse. sexual abuse.

Dr. Felitti said patients should be encouraged to seek help and to discuss painful experiences: 'If people share their emotionally painful past with a spouse or sihling or someone they trust, it can start the healing process.'

'Many doctors think asking these countries will take too much time or

questions will take too much time or worry, that if I open np this can of worms hy asking questions I'll never get out of here," he said. "But the truth is that these patients take a lot of time already. And often it's time being spent on the wrong thing."

## . To Catch A Poacher: DNA Tests

no the darket

By Mindy Sink New York Times Service

ARAMIE, Wyoming -There was not much of a crime scene left by the time the game warden arrived just some blood and hair in the dirt of a windswept patch of Wyoming range. But through the use of DNA tests, the evidence may be enough to link an accused poacher to the site.

Wildlife officials are increasingly turning to the tools of human forensics and using DNA testing to help them convict poachers by taking evidence from the crime scenes and matching them up to the trophy items the hunters take home to the freezer or a taxidermist. In this case, the trail led to Victor Goni, 53, a rancher who is being tried on charges of illegally killing an elk on private property.

"We are actually running the equivalent of a homicide investigation," said Kenneth Goddard, head of the Fish and Wildlife Service's National Forensics Laboratory in Ashland, Oregon. "We're almost drawing a chalk line around where the deer was found."

Until recently, Mr. Goddard's lab was the only one in the United States using DNA testing as part of forensics analysis. in wildlife crimes — including species wildlife like deer and wolves.

Now, with poaching on the rise in many states, the Game and Fish Defor an attack on a human.

convicted in numerous cases of illegally killing elk as a result of DNA tests.

"The O. J. Simpson case was a watermark of sorts for focusing the public's attention on DNA testing." Mr. Goddard said.



Dee Dee Hawk, a forensics specialist, examining the skull of an elk.

on six charges of wanton destruction. It was the first time the DNA technique was used on antelope in North America. "The information on the DNA because it was the only substantial

scientific link we had." The investigation began with an "Stop Poaching" number. Six headdoor and asking about recent antelope and Fish Department in Cheyenne. identification for international trade of bear gall hladders, elephant and rhino-came up with Mr. Nelson's name and retrieved the head of a huck antelope as well as identification of poachers of registered to him at a taxidermy shop.

R. Cooley then sent antepartments of Wyoming and California
are using DNA "fingerprinting"
against poachers, and, less often, to
determine if an animal is responsible

Wyoming Game and Fish
Department's Forensics
animal will match another is usually
much smaller than for humans. While
in conjunction with John Coffin, a forensics expert in Alberta, Canada. In California, prosecutors were ready to go to court last month for the first time with DNA tests in a deer-poaching. "But it's a neat tool to have in

ballistics tests.

That "neat" tool is similar to what many antelope out there," she said. crime laboratories for human forensics short tandem repeats, also called DNA

In the Wyoming antelope case in fingerprinting. This method allows a April, a jury convicted Kenneth Nelson researcher to look for repeated areas of DNA on a molecule strand.

The latest and fastest tests, Polymerase Chain Reaction, are now being used in animal as well as human tests was pretty pivotal," said forensics. The accuracy of this method, Stephanie Sprecher, the prosecutor, heavily assailed in the Simpson trial, forensics. The accuracy of this method, has improved, experts said.

"We can now tie a blood spot or sample from an entrails pile to a head anonymous call to the state's toil-free hanging in some guy's house or a steak in his freezer a year later," said Russ less antelope carcasses had been found Pollard, a wildlife law-enforcement near a city dump. After going door-to- coordinator for the Wyoming Game

> In turning to DNA testing for animal cases, poaching investigators have ing human crimes. Human DNA, for example, can be more easily contaminated hy the handler of the sample, lope samples to the since they are of the same species. Also, much smaller than for humans. While down by race, animals are hroken down

case. In Wyoming, a hunter is awaiting
sentencing in a case in which DNA tests
ited him to six instances of antelope
poaching. In Colorado, a poacher was
poaching. In Colorado, a poacher was
poaching in Colorado, a poacher was
poaching in the same of interest also rely on tire and shoe imprints, witnesses, fingerprints on items left behind, like beer cans, and ballistics tests

will appear in any species is "one in 20 million." said Dec Dec Hawk, a shoe imprints, witnesses, fingerprints on items left behind, like beer cans, and when you think there aren't even that when you think there aren't even that

Unlike humans, antelope and other have been using. Human DNA testing animals remain in a fairly concentrated involves the use of microsatellites or population site, which can make for a smaller gene pool and test population.

# Tracking a Culprit in Alcoholism

By Susan Okie Washington Post Service

ASHINGTON - Two large genetic studies of families with many alcoholic members have identified areas of five separate chromosomes that may contain genes contributing to an individual's risk of

alcoholism, researchers have reported. Alcoholism has a strong tendency to run in families. Although it is common in the general population, hrothers or sisters of alcoholics are at three to eight times greater risk of alcoholism than a person who has no family history of the condition. The identical twin of an alcoholic has about a 60 percent chance of also becoming alcoholic.

Studies of inheritance patterns long ago persuaded researchers that alcoholism. like diabetes and heart disease, was not caused by a single gene - even hy genes alone. The fact that the identical twin of an alcoholic does not always develop the disease indicates that environment must also play a role.

'There's the likelihood of a handful of genes, each one responsible for part of the risk of the disease," said Enoch Gordis, director of the National Institute on Alcohol Ahuse and Alcoholism.

About a decade ago, the institute established six research centers that began collecting blood samples, medical and psychiatric histories and other data on people from families with a strong pattern of alcoholism. To qualify for the study, a degree relatives (siblings or parents and children) who were alcoholics. Individuals were recruited from treatment facilities, and strict criteria were used to

decide whether they had the condition. Scientists at the centers isolate the chromosomes, which contain the DNA or genetic material, from blood cells of people in the study and use identifiable pieces of DNA called markers to analyze inheritance patterns for small stretches of each chromosome. That approach allows them to consider all 23 pairs of human chromosomes in short sections, and to begin to zero in on those that may harbor genes that increase, or decrease, a person's risk of becoming alcoholic. Each individual section, however, can

The Collaborative Study on the Genetics of Alcoholism now includes more than 350 families and has collected data on about 10,500 people, said Henri Begleiter, a professor of psychiatry and neur-oscience at the State University of New York, Brooklyn, and the study's chairman. The results reported from the study come from 987 people in 105 families.

contain hundreds of genes.

Meanwhile, two scientists at the National Institute on Alcohol Ahuse and Alcoholism have pursued a similar approach in a smaller family study, involving 152 members of 32 interrelated families, done with the cooperation of members of an Indian tribe in the southwestern United States that has very high rates of alcoholism. Eighty-five percent of the men and more than 50 percent of

family had to contain at least three first- the women in the tribe become alcoholic at some time in their lives, said David Goldman, chief of the institute's Laboratory of Neurogenetics.

The laborious genetic analysis has begun to pay off, Mr. Gordis of the alcoholism institute said, yielding "important findings about where in the genome the vulnerability to alcoholism

The Collaborative Study on the Genetics of Alcoholism has found regions that may contain alcoholism-related genes on chromosomes number 1, 2, 4 and 7. The study on the Indian tribe identified two regions on chromosome 4 and one on chromosome 11.

Findings from both studies were published in the May issue of the journal Neuropsychiatric Genetics.

"This is essentially the end of the first major phase," Mr. Gordis said. The next move, he added, would be "to use finer and finer markers and find the genes."

Some of the chromosome sections identified in the two studies are known to contain genes important for brain function and the body's ability to break down and get rid of alcohol.

Mr. Gordis said that if researchers can identify alcoholism-related genes and discover their function, such knowledge should lead to better treatments and more specific strategies for preventing the disorder. But for now, people from families with a pattern of alcoholism are advised to avoid alcohol or to monitor their own drinking carefully, keeping in mind that they are at risk.

## LANGUAGE

## Guilty of the Felony of Redundancy

By William Safire

ASHINGTON — The ghost of a melancholy Dane strode upon the Whitewater stage this month. The audience will recall President Bill Clinton's agreement with a question about whether he thought the Independent Counsel Ken Starr was out to get him: "Isn't it obvious?"

was a signal from Clinton to Susan McDongal to continue to resist testifying before a grand jury.

Such comments, the prosecutor wrote to the White House counsel Charles Ruff, amounted to "a president publicly indicating his essential agreement with a convicted felon's asserted reason for her continuing contumacious behavior."

Alas, poor counsel: Starr was guilty, along with most commentators, of redundancy in convicted felon.

A felony is a crime long thought to be more serious than a misdemeanor. The root, fell, comes from a Latin noun for "gall"; one filled with fell is consumed by bitterness, envenomed by wickedness and hatred. As an English 'adjective, as in ''one fell swoop'' of a hawk, it means "cruel."

A felon is a person who has com-mitted a felony. (Shakespeare's Paris tells Romeo he plans to "apprehend thee for a felon.") But you cannot call someone a felon, or even a lesser criminal, based on your own belief, unless you want to invite a libel suit (or in Paris's case, a sword). To be identifiable as a felon, the wrongdoer must first be convicted of a felony, having of name and quality of character in

says "convicted convicted of a felony," which is as tautologous, pleonastic and repetitive as revert back, general con-sensus, safe haven and sworn affidavit. (Kill tautologous and pleonastic, they're repetitive.) Such usage treats the reader as an uneducated oaf unaware that an affidavit must be sworn and that the essence of a haven is safety.

countered the president.

Starr believed that such public talk was a signal from Clinton to Susan countered the president.

'Charles Dickens assigned names saying, "Thou art Peter, and upon this rock I will build my church."

The apt word you seek," McQuain "The a personality traits," writes Jerome Schwartz. "Such names as Fezziwig, Scrooge and Bumble come to mind. Can you recall the name of this tech-

> the reverse of an eponym, which applies the name of a real person to a noun or verb. ("The nominee was borked.")

And you notice these perfect appellations all the time: There used to be a helpful fellow in The New York Times' payroll department named Harry Cash, and now there's a clerk in the Washington bureau named John Files. The head of the Passenger Vessel Association, which warned passengers not to climh on bow railings after view-

ing "Titanic," is John Groundwater,
Assuming it all began in Shakespeare, I turned to the Bardophile Jeffrey McQuain, who immediately remembered the snperficial Justice Shallow in 'The Merry Wives of Wilburn and Frizzel, who on the grim Windsor' and the fast-and-loose Mismorning of Oct. 6, 1941, went to the tress Quickly in "Henry IV, Part L" elect Deeper research found the marriage on."

been found guilty or having admitted guilt.

Thus, convicted felon is redundant. It says "convicted convicted of a felony," the protagonist of "The Man of Law's Tale," is a model of constancy, and Prudence in another Canterbury tale offers wise advice. At that time, William Langland's Piers Plowman was a farmer whose first name is a play on an earlier Peter, the apostle whose name comes from the Greek petra, "rock." In Matthew 16:18, Jesus is quoted as

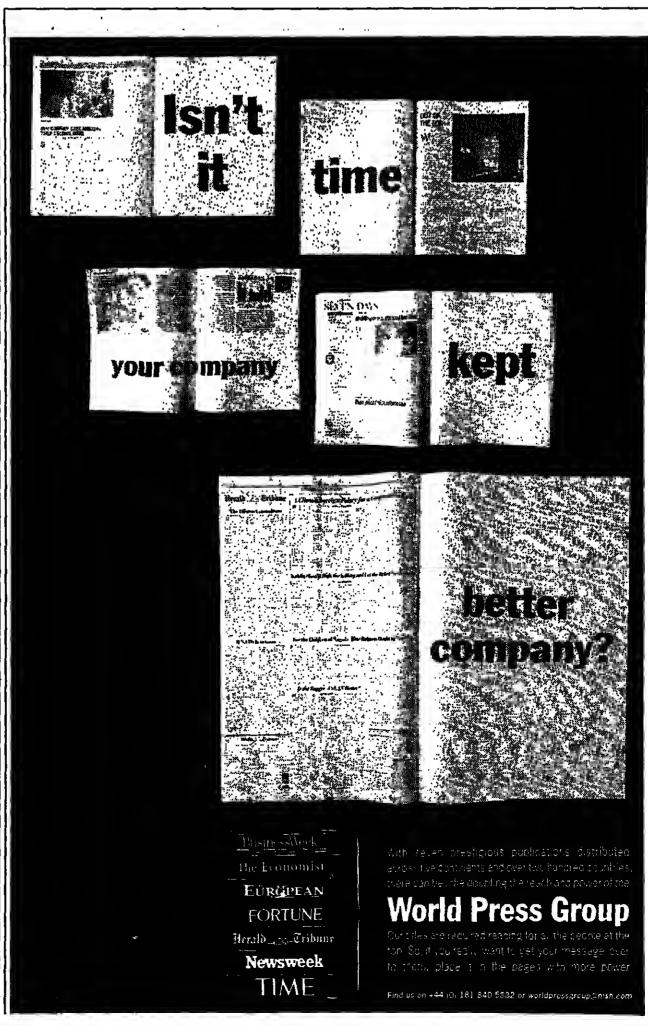
says, "is aptronym, said to be coined by the American newspaper columnist Franklin P. Adams, who in 1938 joined the panel of radio's 'Information Anthony Trollope did it, too: he Please." FPA, as he was called, re-Anthony Trollope and it, too: he rease.

The named a doctor character Abel arranged the first two letters of parronym, the naming for one's father, to spell apt, with its Latin root for "fasten, the reverse of an eponym, which applies attach." which now means "fitted."

McQuain, who happened to know about FPA's coinage because his Internet word column is at www.infoplease.com, steered me to Merriam-Webster's "What's in a Name?" by Paul Dickson. That word maven applies this word to real people with euonymous names: Matt Batts, former majorleague catcher, I. Bidwell, contractor, Dick Curd, Carnation Milk spokesman: Mike Bassett, veterinarian.

"Collecting aptronyms is generally good fun," Dickson writes, "but gets a bit unnerving when you run into the horrifyingly apt: Will Drop, a Mourreal window cleaner who died in a fall; and electric chair at the Florida State pris-

New York Times Service



By Anthony Faiola

ASUNCION, Paraguay - In the days of General Alfredo Stroessner's repressive dictatorship, a young plumber named Ricardo Avearenga made a living fixing pipes in a shantytown by the edge of the fetid Paraguay River.

But in the last decade of democracy bere, Mr.

Avearenga, now s 39-year-old father of four, found less and less work as his neighbors fell on hard times. Then one day plumbing became a

luxury no one could afford Now be sits in the overgrown Park of the Heroes in the center of this decaying capital, making about \$10 a day shining shoes on s rotted wooden stool. The erosion of his life is the reason that, in Paraguay's recent elections, be voted for General Stroessner's old party — the conservative Colorados — which won a sweeping vicory over the liberal Democrace Alliance.

I cannot feed my children," Mr. Avearenga said, adding that now it makes him think that maybe General Stroessner was not so bad.
"I could feed my children during his time," be

Mr. Avearenga's plight underscores the dif-ficulties facing several countries across Latin America now that democracy has taken root in a region once known for its military dictatorships and that free-market economic reforms have lessened tradicional reliance on the state. While the changes have delivered benefits in many Latin countries, in others they have yet to fulfill their original promise of bettering the lives of the vast underclass.

As a result, some disenchanted Latin American countries, including Paraguay, are looking back toward firm-handed, populist leadership for an answer. In Bolivia last year, voters overwhelmingly clected the former dictator General Hugo Banzer Suarez to the nation's highest office. Even though his previous rule, from 1971 to 1979, was marked by corrupoon and intolerance, his years in power were also some of Bolivia's most stable, marked by low unemployment and massive influxes of foreign investment.

In Peru, President Alberto Fujimori, who finally reined in his country's rampant terrorist

said. "Yes, yes, I like liberty, but I need food violence with s zero-tolerance policy that included dissolving Congress, was re-elected in 1995 and is poised to run for a third term.

In the Venezuelan presidential elections scheduled for December, the leading candidate is Hugo Chavez, who staged an unsuccessful coup in 1992 against the government of President Carlos Andres Perez.

'Latin America is not rejecting democracy,' said Cesar Gaviria, secretary-general of the Organization of American States and former presdent of Colombis. But "under the old regimes, the people basically had law and order, less unemployment, more security. It's normal they would look to the past — many have not received the benefits" of the new democratic era.

Latin Americans are hardly ready to throw democracy to the wind. It has brought unprecedented freedom of expression, and much of the populace has embraced that and other liberties.

In many countries, the economic reforms brought about by democracy have altered the political and social landscape for the better. For instance, in Brazil, Latin America's largest and most-populous nation, the liberal economic

policies of the democratically elected president. Fernando Henrique Cardoso, have ended years of byper-inflation and helped stabilize the currency-Although Brazil still bas one of the most striking disparities of wealth in the world, the changes there have cut the poverty rate by 9 percentage

But in some countries, the democratic years have not been so sweet. Paraguay, a country of 4.9 million people that even under democracy has been unable to escape its legacy of corruption and cronyism, may be the most extreme example.

Here, near the sprawling shantytowns in this poverty-stricken capital, the devolution of life for most people has left the populace increasingly disillusioned with democracy in the nine years since General Stroessner fell. A poll taken last year showed that only 16 percent of Paraguayans were satisfied with democracy.

It is easy to see why. Since 1989, the banking system has basically collapsed, and the currency is worth much less. In the past three years alone, percent, with underemployment almost doubling to 20 percent. Crime is soaring, and 80 percent of who operate under the guise of democracy."

the rural population lives in poverty, an all-time, high. Today, the 351 richest people own 25 percent of the land in this nation about the size of California, according to political researchers here-In some cases, such as Paraguay an Venezuela, nations turning toward a firm har are the ones that did the least to implement economic reforms. But others, such as Bolivia have revamped their economies, bringing in creases in unemployment as governments use privatization to reduce the stare work force.

The problem is that economic reforms, is many cases, were put into effect without any safety net for the poor," said George Vickers director of the Washington Office on Latin. America, a private research organization.

Because of the economic difficulties, analysis say that Paraguay may fall into a partial de-mocracy, where presidents rule by decree and make unconstitutional bids to remain in power. Graciela Romer, an analyst who has studied Paraguay said: "We won't see a deepening of the democratic tradition. Instead, we'll see a very

## A Sour Mood In Colombia **As Voters Pick New President**

By Serge F. Kovaleski Washington Post Servive

BOGOTA - As a desotute shoeshiner working at Bolivar Square in the shadow of Colombia's highest political institutions, Jose Gamboa says he would like to buff President Emesto Samper's wing tips — but hardly out of respect.

Rather, with Sunday's presidential elections on his mind, Mr. Gamboa wanted to tell the outgoing chief executive he was fed up with the generations of leaders who have allowed so many people to suffer in a worsening maelstrom of poverty and violence.

Mr. Gamboa, 41, is a case in point. Since being laid off as an elevator mechanic several years ago, he has been unable to find comparable employment in an economy that has been steadily eroding.

His wife has left him, and Mr. Gamboa believes she is now a prostitute earning more money than he can bring home. Most recently, he said, his younger brother was killed when his army unit was ambushed by leftist guerrillas in a jungle area.

'No one can go on living like this, Mr. Gamboa said. "Everything is falling apart in our country. There is even less order and honesty than before, and that was bad enough. We need a change.'

Discontent in Latin America's oldest memory, with many Colombians viewing the presidential vote as an opportunity to replace a government and ultimately an entrenched political culture that bave become synonymous with cor-

ruption and ineffective leadership. From the outset of his tenure four years ago, Mr. Samper was hobbled by revelations that his 1994 campaign had Representatives found him innocent of Force indicates. any wrongdoing two years later, he is perceived to have bought that support by pork-barrel projects.

Mr. Samper's overspending is one bust economy is in mncb worse shape than when he took office.

Furthermore, the Samper administration has made virtually no progress toward achieving peace in a period marked by increased stracks by rightist paramilitary groups and leftist guerrills forces and by acts of brutality by the military.

The heightened sense of disspprobation, analysts said, is not aimed only at Mr. Samper. who by law cannot seek s second consecutive term, but also at the political establishment as a wbole. Politics in this country of 36 million people has been dominated for more than s century by the Liberal and Conservative parties and the wealthy families that control them.

There is very widespread dissatisfaction with traditional political parties and poliocians," said Rodrigo Losada Lora, a political science professor at Javeriana University in Bogota.

Consequently, an independent candidate, Noemi Sanin, 48, s charismatic former foreign minister, has attracted large support from discontented urban voters. A poll published Friday in the Bogota daily El Tiempo showed her third, with the margins among the three leading candidates having narrowed significantly.

According to the El Tiempo poll, Mrs. Sanin nearly doubled her support in the past month, to 23.2 percent. She is close behind Horacio Serpa, 55, a former interior minister under Mr. Samper. Mr. Serpa is backed by the Liberal Party, which has

controlled the presidency for 12 years. A former mayor of Bogota, Andres Pastrana, 43, candidate of the Grand Alliance for Change, an umbrella or-ganization that includes the Conservstive Party, was ahead in the polls, al-though his support had recently

It was widely believed that no candidate would win a majority, an outcome that would lead to s June 21 runoff

#### between the top two vote-getters. ■ Bomb Kills 3 as Polls Open

A bomb killed three persons and wounded one only minutes after the polls opened, Agence France-Press reported from Bogota.

eastern town of Barrancabermeja, local

The violence occurred minutes after

#### Jew Versus Jew at the Western Wall



An Israeli policeman gesturing Sunday to ultra-Orthodox Jews as he told them to stop taunting a Conservative Jew, one of a group of 300 holding prayers at the Western Wall, Judaism's holiest site, in Jerusalem. Scuffles broke out as security forces tried to keep the two sides separated, and 11 people were slightly injured. The ultra-Orthodox Jews reject the Conservative and Reform practices of Judaism.

# Roone Arledge Departs As Chief of ABC News

By Lawrie Mifflin New York Times Service

NEW YORK — Roone Arledge, who has reigned over ABC News for 21 years - longer than any news executive in television — has announced he will turn over leadership to the division's president, David Westin, starting Monday.

Mr. Arledge, 66, will remain as chair-man of ABC News and will be a consultant to Mr. Westin, Mr. Westin, 45, will remain as president.

In March 1997, Mr. Arledge named Mr. Westin to succeed him, without say-ing when Mr. Westin will now wield decision-making power alone, ending 15 months of power sharing with Mr. Arledge. Although Mr. Westin, a lawyer and former president of the ABC Television Network, has had limited experience in journalism, Mr. Arledge praised him for having "integrity and a strong vision for ABC News," and said he was confident Mr. Westin would "do a terrific int." a terrific job.'

Mr. Westin, who has worked for ABC for seven years, is taking over as the oetwork's news division faces several major concerns.

Walt Disney Co., its parent company, has demanded trimmer budgets; ABC has been in a slump, often delivering smaller andiences to the news division's

programs, and "World News Tonight," the evening news program with Peter Jennings as anchor, has slipped to second place in the Nielsen ratings behind the "NBC Nightly News."

The biggest problem is "Good Mora-ing America," which has seen viewers leave in droves, and now ranks far behind the top-ranked morning show,

"Today," on NBC.
"Following a legend is always a chal-lenge," Mr. Westin said of Mr. Arledge. In 1977, when Mr. Arledge, then president of ABC Sports, became president of ABC News, he, too, was criticized for not having enough news experience. Yet be had revolutionized sports television. He was the first to refuse to allow event sponsors to dictate which announcers would cover an event. He pushed ABC to cover social and economic issues in sports, and gave free rein to the opin ionated commentator Howard Cosell.

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He created "Wide World of Sports," Mooday Night Football" and enhance ments like instant and slow-motion replays and on-screen graphics.
When he took over, ABC News was

the least well-regarded network news division and the lowest-rated. But he improved its image with the oews programs "20/20" and "Prime Time Live," and invented the late-night pro-

## Discontent in Latin America's oldest democracy is at its highest level in recent Acceptance of Homosexuality Said to Increase in U.S.

By Carey Goldberg New York Times Service

BOSTON - The acceptance in the United States of gay men and lesbians has increased significantly in recent years, as has support for their civil rights, but a majorily of the popreceived millions of dollars from the ulation still disapproves of homosexuality, a Cali drug ring. Although the House of study by the National Gay and Lesbian Task

The report, commissioned by the advocacy perceived to have bought that support by group. focused on steep increases over the last doling out large sums of state money for 20 years in support for equal rights in housing. employment and the military.

"The most striking thing is how the trend has reason why Colombia's traditionally robeen one of liberalization," said Alan Yang, the report's author and a doctoral candidate in Columbia University's Political Science De- Force. "To the extent we've seen changes in not willing to do."

partment. He drew on data from major polling organizations like Gallup and the National Opinion Research Center for his analysis.

But for all the signs of increased tolerance, the report, released Friday, found that though disapproval of homosexuality had dropped nearly 20 percentage points since its peak of 75 percent in the late 1980s, it was still 56 percent in 1996, the most recent year examined.

least-liked groups in the country, the survey

public opinion over the last 20 years, it has been because we have a community that has come out

public opinion analysts said.

recent in the late 1980s, it was still 56 percent who described Americans' continued opposition to homosexuality in his recent book, "One Nation, After All," described the dicbotomy as

found.

What he heard in interviews around the country, he said, was: 'Sure, gays should have that the strategy of education and the continued rights. We all have rights. We should respect effort we expend on poblic education is more gsys. But if what they're asking for is for me, important than ever," said Urvashi Vaid, di-Mr. Average American, to say yes, your life rector of the National Gay and Lesbian Task style is the moral equivalent of mine, that I'm

car parts factory on the edge of town. He

continued to preside over meeongs of the Bos-

nian Serb leadership and stymied every attempt

by international officials to promote the joint

Muslim-Croat-Serb government agreed for

Rivals, led by his successor as the Bosnian Serb

president, Biljana Playsic, consolidated their

power in Banja Luks last summer with the

intervention of British troops and slowly gained control of western Bosnia. The European Com-

mission's customs union took over the borders

for the Bosnian Serb government, drying up

much of Mr. Karadzic's revenues, and General Wesley Clark of the U.S. Army, who did not share his colleagues' reluctance to pursue war

criminals, was appointed the supreme allied commander of NATO.

it harder to find shelter. At one point, NATO

officials said, he was turned sway from a Ser-

arrest of Mr. Karadzic are deeply upset with the French military, which oversees much of the

area in eastern Bosnia frequented by Mr. Karad-

zic. The French command, fearful that French

troops could be taken hostage or come under attack if Mr. Karadzic is arrested in the zone,

melon, without clearing his activities with NATO

commanders, conducted secret negotiations with

Mr. Karadzic in an effort to get him to surrender.

In addition, French military officials have been

barred by their communders from testifying at the

war crimes tribunal at The Hague. There is a debate within NATO circles as to

whether Major Gourmelon, who was recalled to Paris, may be alerted Mr. Karadzic about an

arrest attempt, the officials said. The French government has denied the charge.

sbifted out of eastern Bosnia, "so they couldn't

cootinue to mess things up," in the words of a

to know ton much," a NATO official said.

"They will be content if the arrest takes place

and they are presented with a fait accompli."

The French, however, refused to move.

NATO intelligence officer.

حكدًا من الاصل

U.S. commanders tried to have the French

'At this point I think the French do not want

Last year, a French officer, Msjor Herve Gour-

oppose the effort.

Meanwhile, NATO officials who support the

bian Orthodox monastery in Montenegro.

There are reports that Mr. Karadzic is finding

But last year his empire began to crumble.

Bosnia under the Dayton peace plan.

## **TOPICS**

The trend toward obesity in America is showing no sign of abating. Fifty-four percent of all adults are beavier than is bealthy and more children than in the past are overweight, meaning more obese adults in the future, according to a study by University of Colorado nutritionists. The percentage of overweight Americans

"The trend will continue," said James Hill, co-author of the study, published in Science magazine. There is no indication that it will turn around. Ac-

The Colorado researchers suggested that the government mount a campaign against overcating as it has done against smoking. Obesity increases the risk of diabetes, cancer, heart disease and other chronic disorders, pushing up the risk of death from all causes by

'We can't become complacent about this epidemic of obesity, which seems to be worsening," Dr. JoAnn Manson, a specialist at Brigham and Womeo's Hospital in Boston, wrote in the issue of Science magazine that published the Colorado research.

The average American, in simple terms, eats far more than necessary and exercises far less than is good for him or her, Mr. Hill said. He blames social situations that encourage overeating, restaurants that offer oversize servings and technology that makes it easy to

"Becoming obese is a normal response to the American environment," Mr. Hill said. "If the environment continues to encourage high intake and low activity. then we'll all be overweight."

#### **Short Takes**

dramatically as divorce rates and out-of-wedlock births have leveled off, according to the Census Bureau. From 1970 to 1990, the number of married couples with children declined sharply as a proportion of all bouseholds, from 40 percent to 26 percent. But from 1990 to last year, it declined I percentage point. Meanwhile, the birth rate among teenagers is down 12 percent since 1991; it has fallen among unmarried women as well.

Sociologists cite several factors, including the aging of the Baby Boom generation out of the age groups most likely to get divorced or have children out of wedlock plus an increased emphasis in society on socalled family values.

In the Thanksgiving Day Parade last year in New York, high winds blew some of the huge helium-filled balloons out of control. One of them, the Cat in the Hat, knocked over a lamppost, critically injuring a woman. A mayoral task force examined the problem and parade organizers are now being told to limit the size of the bailoons, not to operate them in high winds and to anchor each to st least two vehicles. The size restriction means that such contents are now being told to limit the size of the bailoons, not to operate them in high winds and to anchor each to st least two vehicles. The size restriction means that such cartoon characters as Bugs Bunny, Woody

There was something odd about the way the man on the California beach was carrying his portable radio and following women. A beachgoer asked the Huntington Beach police to keep an eye on him. The suspicion was well-founded. The boom box, it turned out, had been hollowed out to make room for a video camera and the man was recording images of women Although such taping of adults is not illegal, police seized the radio. The taper, one officer said, was "quite embarrassed."

Brian Knowlton

#### ferences in Geneva, his hair in curly waves and his special police contingent, moved about the Continued from Page 1 a white silk scarf dangling about his neck, and town in an unwieldy motorcade and worked during the day on the second floor of the Famos

him.
"Mladic has the Yugoslav Army behind him," a NATO official said. "He has his army the institution and conpension, friends in the institution and con-run in the internationally administered Bosnian nections in Serbia that Karadzic lacks. Karadzic, who worked as a doctor in a Sarajevo ran his lucrative black-market operations, his hospital before the war and has few supporters in Belgrade, is on his own."

blithely dismiss previously made agreements. Although be was forced to step down as

Bosnian Serb president in 1996, under a deal that allowed his Serbian Democratic Party to elections, be retained control of the party and wealth and power undiminished.

Mr. Karadzic, who oversaw the "ethnic stronghold of Pale, provided with photographs cleansing" and killing of tens of thousands of and names of indicted war criminals, often bad Bosnian Muslims during the war, bas fallen far. to close their cyes to miss him. Mr. Karadzic During the war, he would sweep into con- lived in his white three-story house guarded by

## CREDIT: East Europeans Find Consumer Dream

Continued from Page 1

but they have been able to avoid a devaluation. In fact, in the first quarter of this year, exports rose 24 percent from last year's level.

Some worry that people are living beyond their means. There is a deeper cultural problem of people wanting to desperately achieve Western living standards quickly, and no sense this bas consequences," said Marek Matraszek. director of CEC, a lobbying firm in Warsaw. You can't finance a Western lifestyle with the

gross domestic product per bead of Poland."

Defaults on bousehold credit are not yet a big problem. But st PKO BP Bank in Warsaw Janusz Ostaszewski, the spokesman, acknowledged that late payments have started to grow. In the first seven months of 1997, for example, the delinquency rate on consumer loans rose to

As a countermeasure, the Polisb central bank has lured consumers into saving their money through an unusual program: The bank offers private depositors higher interest than the commercial banks do.

So far, credit cards are only in their infancy, and those that have been introduced, like Ciribank's card in Poland, are essentially s tool of The bomb exploded on a road in the upper-income young professionals. The lack of agencies to monitor individuals' credit histories as made banks very cautious.

Mortgages are also still virtually unknown the polls opened st 8 A.M. with the entire because, with high levels of inflation, com-250,000-member Colombian military mercial banks are unable to finance them. With 15 percent inflatioo in Poland, even commercial

banks cannot borrow for s 10- to 30-year peri-

mas, according to Imre Zacsovics, s sales clerk.
"You couldn't move in here, there were so
many buying on credit," he said as he showed off imported \$300 television sets arrayed on In the latest credit offer at the store, Mr.

tomers terms of s 20 percent down payment,

\$400 microwave oven st the Multiservis store.

of the closet. In general, the report highlighted the complexity of Americans' attitudes on gay issues,

Alan Wolfe, a professor at Boston University

'the soft homophobic position.'

## HUNT: With NATO Special Forces in Hot Pursuit, Karadzic Stays on the Run

and backed him during the war, has abandoned

NATO units in Mr. Karadzic's mountain

Even so, the buying splurge with credit is vivid. In the sparkling Muranyi store at the Duna Plaza shopping mall in Budapest, about 30 percent of customers bought on credit last Christ-

Zacsovics said, Budapest Bank offered cus-

with annual interest charges of 28 percent. Pavel Uryga, 26, a telecommunications technician who earns \$500 a month, was eyeing a

"In the old days you had to save the money,

#### Note to Readers

A problem st the IHT print site in Toulouse prevented the delivery of the Saturday-Sunday edition to parts of Spain and sonthwestern France. Affected sub-scriptions will be extended by one day. Wc apologize for any inconvenience that may have been caused.

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# ASIA PACIFIC: PERSPECTIVES ON REGIONAL RENEWAL

With the benefit of hindsight, the underlying causes and triggers of the Asian financial crisis have been thoroughly analyzed, and a broad consensus exists about the main elements involved; pegged exchange rates; large capital inflows of speculative private money; weakness in the banking sector and in regulatory mechanisms; and weaknesses in the corporate sector, in particular caused by large, unhedged borrowings. When the crisis hit, countries were faced with the choice of either ing interest rates to defend their currencies, which would have bankrupted many companies, or allowing their currencies to plunge - with much the same effect. U.S. economist Professor Paul Krugman says, "The specific sin that pushed asia to the brink was the problem of moral hazard in lending." Then the panic set in and currencies plunged. There is also broad consensus among most analysts that the economic fundamentals of most of Asia's economies are still good, even though they are entering a period of slow or even negative growth. in three or four years,

economy founder? And will China

eventually be forced to devalue its

currency? These issues are still

puzzing Asia analysts.

After the devaluation of the Thai baht in early July 1997, stock markets and currencies in neighboring countries tumbled as the shock waves spread. South Korea Won/US\$ Composite Index 1100 9/97 11/97 1/98 3/98 5/98 Peso/US\$ Composite Index of Thailand growth of a more sustainable **Kuala Lumpur** Ringgit/US\$ quality should resume, provided that the sort of structural reforms that the International Monetary Fund is insisting upon are implemented. There are still big questions that could throw this optimistic forecast nskew. Will Indonesia unite under a Rupiah/US\$ new government? Will Japan bite Composite Index 10000 the bullet and fix its banking system, or will the country's

Currencies and Stock Markets Jumbled Composite Index -1000

Moving from agriculture to manufactured goods to high-tech products presented some hidden dangers.

EXPORT MODEL CAUSED DOMINO EFFECT

n the Cold War period following World War II, the threatened spread of communism gave rise to the domino theory — that Asian countries would fall like dominoes to the communist scourge. Instead, they fell as economic dominoes. Bankers Trust Australia's chief economist, Chris Caton, has analyzed why.

Mr. Caton says that at the outset, Asian success was underpinned by an economic development model based on exports. Close and mutually supportive relationships among governments, business communities and financial institutions acted to direct investment into

high-growth export areas. The challenge was to move from agriculture to labor-intensive manufacturing and further up the chain to highskills goods and services. Singapore and Hong Kong were the most successful at this, while Japan found the transition from manufactured exports more difficult.

In retrospect, Mr. Caton says, Asia's development model contained the seeds of its own destruction.

"Mutually supportive relationships corroded into moral hazard and cor-ruption," he says. "Successful development faced the challenge of evolving sources of comparative advantage, coupled with diminishing investment returns. Increasingly, large and centralized Asian conglomerates struggled to keep up with a faster pace of technological change.

"As countries increasingly competed in the same markets with the same products, overcapacity in certain industries became evident, and an infatuation with the non-traded property sector developed.

"With most Asian currencies tied to the U.S. dollar, China's 1994 devaluation and the weakness of the Japanese yen added to concerns about East Asia's competitiveness. Slowing exports - despite still-solid world growth - in 1996 were the first sign of regional trouble."

With increasing signs of banking trouble and concerns that export growth was not bouncing back as much as expected in early 1997, Thailand was the first country to experience difficulty. Pressure on banks increased as speculative selling of the baht prompted a shortage of foreign reserves. The severe

flight of capital from the country, tightened bank liquidity and threatened bank loans held by highly indebted financial and corporate sectors.

A move by domestic borrowers to "hedge" their foreign currency exposure soon led to pressure on the baht, which was made worse by speculators who sensed that interest rate pain involved in defending the managed float would be unbearable for the government

"Other currencies then fell like dominoes," Mr. Caton says.

Adding to Asia's difficulty has been a buildup in large, unhedged foreign debt exposure by both domestic banks and corporations, possibly more than half of it short-term in nature, thus compounding the refinancing pressure.

The upeide risk is that the Asian economies might bounce back quite smartly. In some countries, particularly those that experience the deepest slowdowns, this may well be

In Indonesia, the corporate sector has been hit hard by a falling stock market (and a consequent decline in the value of assets), while holding U.S. debt estimated at more than \$60 billion.

The debt situation faced by Asian nations differs. Most Korean debt is owed by banks, facilitating smooth rescheduling efforts. In Indonesia, Malaysia and Thailand, renegotiation is hampered by the large share of debt owed by individual corporations.

Mr. Caton's analysis points to the key elements that will determine the speed of Asia's economic recovery.

 ASEAN real rates. High interest rates, debt-servicing concerns and a general loss of confidence took a heavy

depreciation of the baht exacerbated the toll on share markets in 1997. Tentative signs of currency stability, however, have led to generally strengthening markets.

 Asian stock markets. Strong share market bounce-backs seem unlikely. Based on past debt/financial crises, including those in Mexico, Japan and Scandinavia, there will be a bonecrunching slowdown in growth across the Asian region this year, Mr. Caton says. A rule of thumb seems to be that the sharper the early slowdown, the stronger the bounce-back, with Mexico and Japan at polar extremes.

 GDP growth following slowdown. In Southeast Asia, the sharpest slowdowns are expected in Indonesia and Thailand. Both bave crippling levels of corporate debt and are subject to tough International Monetary Fund adjustment programs. Of the two, Thailand appears to be more committed to market-friendly reforms. Singapore and Malaysia have faced less financial mar-

ket pressure to raise interest rates. Growth outlook for Northeast Asia. Economic growth forecasts for the Asian region have been consistently revised downward over recent months, Mr. Caton says, but he still thinks there is further to go.

He says that Bankers' Trust forecasts remain below those of the consensus forecasts mainly because they expect contractions in South Korea and Indonesia to be more severe, and because they are less optimistic about the growth outlook in Hong Kong, Taiwan and Singapore.

"The upside risk is that the Asian economies might bounce back quite smartly," Mr. Caton says, "as in the case of Mexico. In some countries, particularly those that experience the deepest slowdowns, this may well be

"For the region overall, however, the slowdown is likely to be shallower and the recovery somewhat more drawn out, as in the Scandinavian experience."

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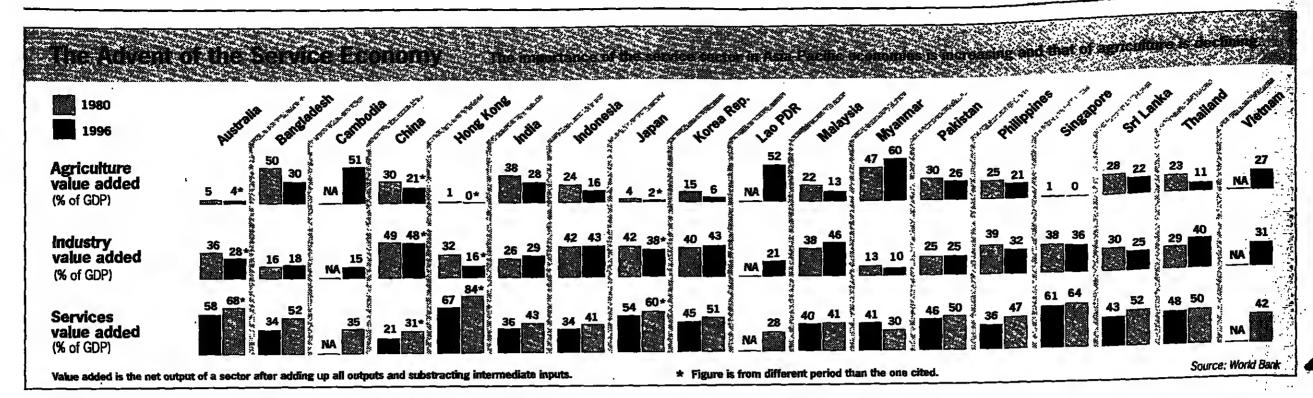
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## ASIA PACIFIC: PERSPECTIVES ON REGIONAL RENEWAL



## THE PROGNOSIS FOR RECOVERED FINANCIAL STRENGTH, COUNTRY BY COUNTRY

Thailand has renewed flexibility, Korea is showing discipline, the Philippines can draw on more funds, Indonesia has pledged to honor its agreements, China has been largely spared, Japan is a concern.

The outlook for Thailand, as well maintain its currency peg, though the Austrade agency. It details the degree of tobacco and various huxury goods.

as for South Korea, appears to be price could be weakness in property and IMF aid and the countries' responses:

Major restructuring of the financial looking up. IMF Managing Diequity markets, and a slowdown in rector Michael Carndessus says that growth. market confidence is probably returning in both of these countries.

both strengthened by more than 40 perary and mid-December. In addition, by the beginning of May 1998, the Thai and Korean stock markets had recovered by 15 percent and 10 percent beginning of the year. Some weakening occurred later in the month,

Adapting to new conditions

In both countries, foreign direct investment and portfolio investment are starting to flow back in again.

"So even though both countries still bave large reform agendas, especially in their banking sectors, their financial crises are gradually receding." says Mr. Camdessus. "Of course, much of the new conditions."

Singapore and Malaysia have faced at least two occasions." less financial market pressure to raise

as for South Korea, appears to be price could be weakness in property and IMF aid and the countries' responses:

A changing situation

The Thai baht and Korean won have Indonesia's outlook is, of course, the most precarious. Mr. Caton says that 5,000 rupiah to the dollar, most corporate businesses were unable to repay foreign debt, creating a de facto debt moratorium. As inflation increased and respectively from their levels at the public austerity programs took effect, there was an increasing risk of major social unrest - a fear bome out by the riots that led to President Suharto's resignatioo in May.

Mr. Camdessus says that a lot of time slippages" in crucial areas, including says, "the rupian has remained sub- came into effect at the end of March. stantially over-depreciated, inflation has ditions have continued to deteriorate. As ment to accelerating the privatization of pain of adjustment still lies ahead as a result, the program initially worked state enterprises, including petroleum, companies and workers adapt to the out with the IMF last November has had clectricity, transportation and telecomto be renegotiated and strengthened on munications companies. It has also in-

The following is a country-by-country

With its diverse international economy, Western

Australia has much to offer, both as a scarre of

vorld class goods, commodities and services and

The State's natural and human resources have led

The government floated the baht, which had been pegged to the U.S. dollar, on turn liquidity to the financial system. It of monetary and fiscal policy, plus eco-July 2, 1997 as speculative pressure on also plans to lift restrictions on foreign the currency prompted a run on foreign investment across a number of sectors, ing of the financial sector. A recent cent since their respective lows in Janu- once the exchange rate went above reserves. In August, the government though these are not expected till July. negotiated a \$17.2 billion package with the IMF, contingent upon a number of Thailand, with particular concerns economic reform measures.

The third IMF letter of intent, announced in February, gives Thailand to slow further this year, and most end of March 1998, announced plans to greater flexibility on fiscal policy, with a private forecasts-predict that the econtarget deficit of 1.5 percent of gross only will contract by around 5 percent. tions, streamline foreign exchange regdomestic product, compared to the previous 1 percent surplus.

has been lost in Indonesia to "policy providing debtors and creditors with new means of tackling debts without monetary policy. "In the meantime," he debtors having to be declared bankrupt.

Under the new IMF program, the troduced new revenue measures, including increases in gasoline tax and further

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and banking sector lies ahead. The government has announced further plans to billion support package with the IMF. recapitalize the banking sector and re-Social pressures are emerging in

The Philippines

Thailand's new bankruptcy laws, The Philippines economy has also ex- governance structures. perienced contagion effects from the region's financial instability, which forced the floating of the peso (previously pegged to the U.S. dollar). banks after 34 years of IMF influence efforts to implement IMF reforms. - the Philippines financial sector has managed to remain in relatively good

The Philippines has graduated from interest rates. Hong Kong is expected to survey by the Australian government's increases in excise taxes on beer, wine, the IMF Extended Fund Facility and will be eligible to draw on the remaining World Bank recently announced a \$650 medium term. million loan to the Philippines, largely aimed at assisting policy reforms in the Indonesia financial sector.

Since July 1997, the peso has fallen by around 30 percent against the U.S. dollar. Nevertheless, prime lending rates are slowly falling, and the country's stock market has recovered by around 50 percent from its lowest point in late

The recent presidential elections in the Philippines are expected to have a minimal impact on delivery of the coun- fallen by around 20 percent. Corporatetry's economic reform program.

Although IMF and government forecasts for growth in 1998 have been revised downward, they still range from 2.4 percent to 3.8 percent.

South Korea

strong stand in addressing the country's amended agreement in April. economic problems and implementing the IMF program, although difficult for tight monetary policy, with high Korean won suffered contagion effects means to strengthen the rupiah and refrom speculative pressures on South- duce inflation. east Asian currencies in late 1997,

Korean government negotiated a \$58

The package involves the tightening nomic reforms, including a restructuragreement to reschedule short-term debt in the banking sector has also helped shore up the financial markets.

about rising unemployment.

South Korea is stepping up its efforts to attract inward investment and, at the South Korea is stepping up its efforts ulations and reform the country's financial institutions and corporate

Nearly 9,500 corporate bankruptcies were reported in the first quarter of position to his rule. He stepped down on 1998, up 50 percent from the previous quarter. With unemployment at around tege, B.J. Habibie, in keeping with the Through reforms in the financial sys- 6 percent to 7 percent, there is growing country's constitution. President picked up sharply, and economic con- government has reaffirmed its commit- tem, however - including strong labor unrest. Indeed, the strikes can be Habibie has promised to follow through prudential and supervisory controls on seen as a reaction to the government's on the agreements made with the IME

Because of the liquidity crunch, a China, Taiwan and Japan

\$340 million in the program. The Phil- rea should be well placed, given its on business investment caused a greatproved a sucheus in key \$1.6 billion IMF stand-by facility. The export its way back to health in the and in industrial production in 1997.

With growth rates of more than 8 percent and relatively low inflation until the regional economic turmoil struck in mid-1997. Indonesia had been regarded by the World Bank and others as one of the best-managed economies in the developing world.

Since July 1997, however, the rupiah has fallen by at least 70 percent against the U.S. dollar and the stock market has sector foreign debt is estimated to be more than \$60 billioo.

In November 1997, the Indonesian government negotiated a \$43 billion package of assistance with the IMF. Further significant declines in the currency prompted a new IMF reform President Kim Dae Jung has taken a package in January 1998 and an

The agreement focused on the need measures still need to be taken. The interest rates and tight liquidity as the

It underscores the importance of fi- recession.

prompting a balance of payments crisis nancial sector restructuring, fiscal in December 1997. As a result, the policy strengthening and structural re-

Reforms undertaken thus far include further bank restructuring, privatization of state enterprises, amendments to out dated bankruptcy laws and increased monitoring of reforms on a daily basis. Inflation for the period January to

April was 33 percent, slowing in April but expected to exceed 10 percent per month in June and July.

The growth forecasts of both the IMF and the Indonesian government have been significantly revised downward, with the latest prediction being a 5 percent contraction in 1998 and a 17 percent inflation target in 1998-99:

After the general election a year ago, President Suharto faced increasing op May 20 and was replaced by his pro-

sharp slowdown in growth is expected. Some believe that China has been Official forecasts now suggest a decline spared the worst of Asia's turmoil in GDP of 2 percent to 3 percent this helped by its largely closed financial year, with inflation at around 9 percent, market. There has been concern, Nevertheless, a reformed South Ko-however, as the tightening of controls

The Chinese government was expected to respond by easing its policy this year, but the loss of competitiveness remains a concern because of the continuing fixed exchange rate. Slower growth also would make reform of the heavily subsidized state sector difficult now that unemployment is up. Mr. Caton adds that there is some chance of a Chinese devaluation this year, which could place renewed pressure on both Hong Kong and the rest of Asia.

Taiwan -- though fundamentally well placed, with low debt, a trade surplus and a smaller and more adaptable corporate structure - caimin avoid some slowdown. In particular, Taiwan faces a loss of price competitiveness to Korea.

The Japanese economy remains a # major concern, and current fiscal packages are not expected to significantly boost growth prospects. Facing a loss of competitiveness to Asian neighbors, a still-fragile financial sector and weak domestic demand following the fiscal tightening in April last year, Japan might be teetering on the verge of a

## RX FOR ASIA: A DOSE OF IMF MEDICINE

etary Fund's managing director, Michael Camdessus, concedes that the "flexible and pragmatic" programs the IMF has put in place in Thailand, Indonesia and Korea have sparked con-

siderable controversy. Speaking in Australia at a recent conference on the Asian crisis, Mr. Carndessus said there were those who "missed the traditional IMF approach in what we are doing in Asia. . . Indeed, these programs are not the standard fare that many people expect from the IMF."

In 1997, the IMF arranged more than \$100 billion in emergency loans for Indooesia, South Korea and Thailand after the July 2 crash of the Thai baht sent shock

waves across Asia. Mr. Camdessus says that the financial rescue programs focused not on reducing fiscal deficits but on strengthening financial systems, improving governance and transparency, and enhancing domestic competition factors that were at the beart of what had gone wrong.

many factors at work, and it is an opening up do-thorities failed to demonsafety net. ●

be International Mon-fully understand the crisis," Mr. Camdessus says. "But oow, had been controlled by mitment to a tight monetary certainly one major element was the fact that domestic institutions were not strong enough, and domestic policies were not flexible enough, to meet the increasing demands of economic success.

"As the crisis unfolded, initial doubts about the authorities' commitment to take the necessary steps — such as tightening monetary conditions and closing insolvent financial institutions --- put additional pressure oo currencies and stock markets."

Long-term outlook Mr. Camdessus says the IMF programs now in place in-

volve closing insolvent financial institutions and writing down shareholders' capital, recapitalizing financial institutions and putting weak ones under close supervision, and increasing foreign participation in domestic financial systems.

The programs also call for the publishing of key eco-"Obviously, there were the close links between busi- and Korea," he says, many factors at work, and it ness, banks and govern-

mestic markets that, until strate their unequivocal confmonopolies to both domestic policy, confidence continued and foreign competition.

"Certainly, these are not easy times for countries used to growing at 7 to 8 percent a year and with many pressing social needs still to address. Mr. Camdessus says.

But by the time these countries had approached the IMF, the value of their cur- the fiscal positions and the rencies was plummeting and, in the case of Korea and Thailand, their foreign reserves were perilously low.

was -and still is - to restore confidence in their currencies," Mr. Camdessus says.

To do this, countries had to In Indonesia, the newly remake it more attractive to hold their currencies, and that meant raising interest rates temporarily, even though this complicated the situation of weak banks and corporations and contributed to the slowdown in growth in the immediate period ahead.

"As confidence is restored, interest rates can return to nomic and financial data on a more normal levels. Indeed, timely basis; enhancing interest rates have already shareholder rights; breaking started to decline in Thailand

to erode, the exchange rate continued to decline and in-

flationary pressure built up Unfortunately, this bas been the case in Indonesia, he adds. "On fiscal policy, the programs seek to strike a balance between the need to contain the deterioration in needs to accommodate the cost of financial sector isstructuring and protect social ves were perilously low. spending. Here, the IMF's approach has been flexible and pragmatic.

Revised program

vised program includes temporary subsidies to protect low-income groups from rising prices of food and other essentials. It also provides for higher spending on health and education, including programs to finance essential drugs for health centers, plus

scholarships for the needy. Subsidized credit for small and medium-sized enterprises, labor-intensive public works and temporary em-Conversely, when the auployment programs will also

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## ASIA PACIFIC: PERSPECTIVES ON REGIONAL RENEWAL

### WAS THE MIRACLE REALLY A MIRAGE?

Asia owes its "miracle" to 30 years of work.

ith Asian economies in turmoil, some analysts have said that the "Asian miracle" was a mirage, that the region was merely catching up after a previously low level of development.

Richard Woolcott, formerly one of Australia's most distinguished ambassadors in Asia and the founding director of the Austral Asia Centre of the Asia Society, begs to differ.
"It was certainly not a mirage," he says. "The East Asian

growth rates for the last 20 years have been remarkable. It is as if the whole process of development in Europe and America in the 19th century had been compressed into three decades in Asia." 'There never was a miracle," says Asian Development

Bank Vice President (Region East) Peter Sullivan. "What there was were 30 years of hard work, good initiative and decent macroeconomic management. The region still has the strongest fundamentals in the developing world."

Chris Caton, chief economist of Bankers Trust Australia, agrees with Mr. Sullivan. Mr. Caton says the real miracle was that Asia was able to harness its competitive advantages and ride the "catch-up" wave when many other developing regions were faltering.

#### Real development

In the 30 years between 1966 and 1996, per capita income rose more than sevenfold in Hong Kong. Singapore, South Korea and Taiwan, and fourfold in Southeast Asia and China, Mr. Woolcott points out.

In 1950, Asia — with 66 percent of the world's population

had only 19 percent of world income. By 1996, Asia's share of world income had surged to 33 percent, and it was still rising when the currency crisis struck Thailand last summer.

The industrial development, the bridges, the gleaming new buildings and the new transport infrastructures in South Korea, Indonesia. Thailand. Malaysia and the Philippines are real," Mr. Woolcott says, "East Asia's impressive economic growth was not a product of clever industrial policy or of Maoist great leaps forward. It was based on an acceptance of market forces and the promotion of exports - in turn based on hard work and a mix of labor-intensive and import substitution strategies - all fired by foreign investment.

"East Asia achieved its growth despite the limitations of its institutions and financial systems. Crony capitalism has been going on for years, even in Japan, and it is curious that there is a tendency now to blame it for the crisis when foreign investors have been well aware of it and been undeterred by it in recent years. The main problem, in fact, was not crony capitalism but bad loans,"

One of the most serious examples of bad loans is evident in indonesia. An inability to repay loans written in U.S. dollars has resulted in the technical bankruptoies of more than threequarters of publicly listed companies.

Mr. Woolcott remains optimistic about the long term.

The economic strength that made East Asia so attractive to global investors over the last 20 years - such as high savings rates, an increasingly skilled and educated workforce and substantial infrastructure - may be obscured at present. but it will not disappear. No, the Asian economic miracle was not a mirage." •

## Thirty Years of Impressive Growth

Average annual % growth in gross national product

Countries	Total 1965-96	Per capita 1965-96
Australia	3.2	1.6
Bangladesh	3.5	1 1
China	8.5	6.7
Hong Kong	7.5*	5.6*
India	4.5	2.3
Indonesia	6.7	4.6
Japan	4,5	3.6
Korea Rep.	8.9	7.3
Malaysia	6.8	4.1
Pakistan	<b>5.9</b>	2.7
Philippines	3.5	0.9
Singapore	8.3	6.3
Sri Lanka	4.7	3.1
Thailand	7.3	5
World	3.1	1.2
Source: World Bank	<u>.                                    </u>	*Data are for GDF

## FOUR PHASES TOWARD FISCAL HEAITH

An economist outlines four stages in the recovery process.

Comes the analysis of what happens next as Asian

1998, leading to a more severe

regional banking crisis. According to David Nel-lor, deputy director of the International Monetary Fund's Asia and Pacific Office, banking crises have tended to follow economic crises.

"Under the best scenario, implementation of reforms markets' meltdown. and on the assumption that

There is even more intense in practice the phases may debate on how long the recovery process will take. The bonest answer is that different phases at the same

no one really knows," says time," Mr. Eslake says. Richard Woolcott, former In the Asian crisis, Centre of the Asia Society.

Toward the end of March, Society and attended by cepting that major policy around 40 influential people changes were required. from business, government and think tanks from 18 countries.

of opinions on the extent and came apparent that a third duration of the [Asian] agreement was likely to be Export recovery crisis," he says. "The bleak- negotiated with the Interna- Such a situation will not be est prognosis was that Japan tional Monetary Fund. Necould go into recession, gotiations are ongoing. China could be forced to deprove unable to deal with its mentation of policies de-

economies would recover. ably take longer, it would

#### also recover." The stages

the economic recovery process is provided by Saul Eswe are looking to see the lake, Australia and New Zeatrough in regional growth oc- land Banking Group chief cur in the next couple of economist, who sees it oc-quarters," be says, adding curring in four phases, the that this is contingent on the first being the Asian financial

"These phases are concepthere will be no new shocks. tually quite distinct, although overlap to some extent, and different countries may be at

In the Asian crisis, this head of Australia's Depart- first phase lasted about seven ment of Foreign Affairs and months - much longer than director of the AustralAsia the Mexican peso crisis of three weeks --- and bottomed Mr. Woolcott attended the out in mid- to late January. Williamsburg Conference in The delay was largely attrib-New Zealand, sponsored by utable to the slowness of the New York-based Asia Asian governments in ac- mestic demand in these

The exception was Indonesia, where the meltdown did not really end until "There was a wide range as late as April, when it be-

"The second phase is covery will again have to be country in thregion.

aracterized by the imple- led by a recovery in exports. Official IF predictions

"This is, of course, a measures include full dis-reduction interest rates. worst-case scenario," Mr. closure and the severance of Woolcott adds. "The more bad loans, the use of public ably closero this third stage.

such as central banks. Asian countries are now in A more detailed analysis of this second phase, and In-

core group of ASEAN councount deficits every month from June 1989 to August

from the previous year. however, that this turnaround 1994-95, which lasted about in Asia's external trade balance is entirely due to the collapse in imports," Mr. Eslake says. "This, in turn, reflects the weakness in do-

sustainable in the long run, when any real economic re-

value its currency and would characterized by the imple- led by a recovery in exports. "Not until there are signs are that grow in developing high level of debt. Indonesia signed to address the causes of this can it be said that a Asia will fall from last year's of would be submerged in so- of the crisis." Mr. Eslake country has moved into the 6.7 percent the Apercent this said cial and ethnic violence, and says. In most cases, this re-third phase of the crisis," Mr. year, with mul depending on 73 South Korea and Thailand quires a combination of a Eslake says. This phase is China's control economic of would be unable to recover as higher monetary policy to also characterized by a restrength. The MF predicts 7 quickly as expected. These stabilize the exchange rate: covery in private investment percent grow for China but developments, especially a the establishment of ma- capital inflow, which re- warns that "thoossibility of a serious recession in Japan. chinery to enable an overhaul quires confidence in govern- more pronound slowdown

inflation that' fter the analysis of Wall Street and to a global in some cases, a program of decline inflation that what went wrong recession.

structural reforms. Overhaul would emble a sustainable

"The Pilippines is probback to economic stability and growth.

Some of the forecasts are pessimistic, predicting that the regional economy will continue to shrink for the rest of time to shrink for the rest of years of pain, the East Asian owners and the liquidation of not be reshed until the a their banking assets, and the second half of this year and a While Indonesia would probstrengthening of supervision can be expered to last until systems through institutions mid-1999.

Inflation ad interest rates in Most of the worst-affected sian countries are now in its second phase, and In
meltdown. The interest rates in the many first three phase. In the first, "meltdown," hase, interest of donesia should be soon. Ko-rates soar as gyeniments try >2 rea has recorded four con- to control therun on their secutive monthly current- currencies. On when infla- 52 account surpluses since tion has peake in the third. trade balance has also moved again - and hen only if decisively into surplus. (The there is marke confidence that the excbane rate is not tries registered trading ac- just being propped up by interest rates.

The fourth an final phase, ab 1997.) The ASEAN trade he says, will be riched when .... surplus for the six months the recapitalization of the fi-in ending February 1998 was nancial system has been in \$10.4 billion — representing largely accompished and a a \$21.2 billion turnaround when private onsumption and subsequent private in-"It is important to note, vestmen are recovering: .? "For most countries in the m Asian region, his phase is //
likely to be receded by late /: next year and to continue of through to the year 2001."

Korea, Thaland and es- (2) pecially lidolesia are likely = countries, and the breakdowns in financial systems
mean that even the most
credit-worthy customers are
to have nearve growth this s
year and the with Indoneyear and the preakto have nearve growth this s
year and the preaktract by at least 12 percent in having trouble obtaining over this vo-year period. If trade finance."

For the re of East Asia, or economic gwth will be half 12 to two-thirdhe rate attained = during the st half of the 1990s, with aiwan likely to 3 be the leastiffected of any 4

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. ...

could lead to a major fall on of the financial system and, ment policies, as well as a cannot be excled." •

## SEPARATING THE FACTS AND THE FALLACIES

The Asia-Pacific region's crisis was to some degree foreseeable — and is to a great degree solable.

providing business in Australia and other countries with "the chance of a lifetime" to invest in Asia, says Roger Sexton, executive chairman of investment bank Beston Pacific Cor-

"The Asian economies will recover percent of the world's population. in due course and regain their mo-mentum of growing at faster rates than developed economies," he says. "The speed at which they recover will depend on the speed with which the governments in the region take action to reform the structure of their economies.'

In the meantime, Australia is sitting in the box seat to pick up investments at extremely cheap prices and position itself for the next millennium: "It is generally accepted that the Asian currencies have been oversold by between 15 percent to 70 percent. In addition, assets are being placed on the market by distressed sellers at a time when there says Mr. Sexton. "What happened durare very few domestic buyers. This combination of factors - devalued currencies and devalued asset prices means it will never be cheaper to invest in the Asia-Pacific region, at least in our

lifetime." Mr. Sexton says that the Asian ecothe following opportunities:

add to their core operations at bargain • To inject equity into high-quality

Asian companies that can no longer go the public-listing route. To form joint ventures with Asian companies looking for strong financial management, product know-bow and

technological support. To acquire low-priced property as-

Objective indicators

Mr. Sexton believes that much of what has been written about the Asian economic crisis reflects "too much bype and bysteria, and not a great deal of fact or objectivity." He says that several factors about the region's economic situation need to be taken into ac-

count The first factor is that the economic fundamentals of Asia are strong, and that the Asia-Pacific region will continue to have some of the strongest the Asia-Pacific region, with nearly 35 percent of the world's population, accounted for 21 percent of the world's many loans had been made on risky projects and overvalued assets.

The resulting problems will now counted for 21 percent of the world's gross domestic product. By 1998, the have to work themselves out through share had increased to 23.4 percent, and government austerity measures, corpo-

current economic problems.

Western Europe, by comparison, accounts for 29 percent of the world's Debunking the myths
GDP, with only 7 percent of the world's According to Mr. Sexton, there are sevpopulation. North America had 30 percent of the world's GDP, again with 7

The sheer demographics of the Asia-Pacific region, coupled with increasing education, rising standards of living and increasing productivity, has built an engine of growth that will certainly splutter and cough for a while, but sooner or later will resume its momentum," Mr. Sexton says.

The second factor is that the Asian crisis that began last year is structural

rather than cyclical. in line with the world economy during 1995-96 but failed to recover with the uplift in global demand in 1996-97, ing this period, however, was that investment in Asian companies grew rapidly, funded by cheap foreign capital.

The warning signs were there." Much of this new debt-financed investment went into the property and construction sectors, whereas not much nomic meltdown has given companies attention was devoted to investing in areas that capitalized on the natural • To acquire businesses in Asia and advantages of Asian countries, e.g., agriculture, mining and labor-intensive

manufacturing.
Coupled with sustained domestic demand, this led to the progressive deterioration of current-account deficits across the region. When investors realized that the economic deterioration was structural rather than cyclical, they withdrew funding for current-account deficits, currencies were forced to devalue and dramatic asset deflation began to take place.

The third factor is that strong Asian growth is expected to resume, but that it will be a different type of growth.

"Fundamentally, the Asian economies haven't changed in that they have large and growing populations, a strong work ethic, high savings rates and a strong emphasis on education," Mr. Sexton points out,

What has changed, however, is that many Asian governments realize they bave been profligate, that private-sector expansion was being financed by execonomic growth in the world. In 1980, cessive foreign borrowing and that

it is forecast that by 2010 it will be 31 rate insolvencies, asset rationalizations

The Asian economic crisis is percent -- even taking into account the and company work-outs, says Mr.

eral fallacies, based on miscal untions, associated with the Asian reldown, that need to be examined by in exors in the region.

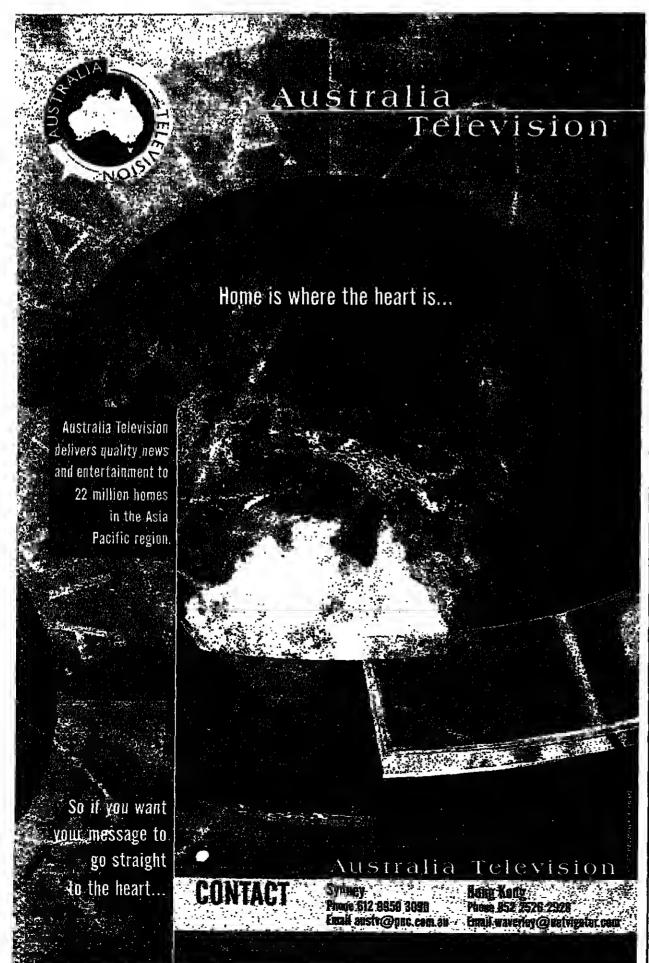
The first fallacy is that Australian companies will be lard hit, depte the fact that less than 2 percent of peassets of Australian-based companies se invested in Asia, and lespite the last that Australian companies' investment the five countries most affected by the misis (Indonesia, Malaysii, Thailand, Forea and the Philippines) sonly 11 percent of Australia's total investment in the esia-"Asian export growth slowed down Pacific region. The ame countries account for only 19 percent of Austraia's total exports, "still a latively small fart of our trade," Mr. Scton notes. "More by good luck than jutement. Australian companies . . bat only a minimal exposure to Asia and will not, as a general rule, be hit and. It isn't a rational problem; it is appoblem for some companies in the nort to medium

term. The second fallacis that the Asian cconomic crisis wil stop growth in Australia. Although australia's current account deficit is predated to increase, possibly to 6 percent GDP, less than a quarter of this increase will bave been due to reduced trade, the remainder being attributed to the icreased cost of servicing Australia's forign debt due to the devaluation of the justralian dol-

Some leading econoric commentators are predicting anyverall fall in

GDP of no more than 0.5 per cent. The third fallacy is the the medicine being prescribed by the International Monetary Fund will solv Asia's crisis. "It is part of the solution," Mr. Sexton says, "but not an 4-consuming

part. There is no use trying to fix an economic crisis if the irdicine used causes a political crisis an further exacerbates the economic risis (as in Indonesia). The problem with the IMF prescriptions is that they to deflationary and use high interest rac to prop up currencies and rationalizate banking sectors. Lenders must be repared to take some losses from del escheduling (as happened in Mexic). The region must slow down its chit growth, rationalize the number of lanks and finance companies, reduceurrent-account deficits, write off ballebts and arrange for debt-to-equityswaps to lessen the debt-servicing buen.



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# ASIA PACIFIC: PERSPECTIVES ON REGIONAL RENEWAL

## LESSONS TO BE LEARNED FOR THE ROAD TO RECOVERY

The recent past will inform Asia's short-term and longer-term future.

he Asian financial crisis is, without again, or at least to minimize the condoubt, one of the most significant economic events of our time," says Saul Eslake, chief economist of the Australian and

New Zealand Banking Group.

"It will almost certainly lead to important changes in the international financial system, as countries seek to find an appropriate balance between the benefits that undoubtedly accrue from gaining access to international capital movements and the potential for instability and other risks that also seem to be much greater in a world of large and highly mobile capital flows."

The causes of the Asian financial crisis have been much analyzed, and there is consensus about the principal elements involved — if not about their relative importance says Peter Sullivan, vice president (region East), Asian Development Bank. These elements include pegged exchange rates, large private capital inflows, financial sector imbalances and poor oversight of lending.

The de facto pegging of currencies to the U.S. dollar led to appreciation of the currencies as the dollar strengthened. Although declining competitiveness and declining demand caused widening current-account deficits, these were sustained by the capital inflow - in great part in the form of dollardenominated loans - from abroad.

Restrictions oo foreign equity levels and on bond markets led companies to use bank loans for financing. This led to higher than normal, or desirable, levels of debt. The loans were often secured by assets whose prices were greatly overinflated. Later, there was no security left to shore up these loans.

The trigger for the crisis was the 1996 export slowdows. The cyclical downturn in demand for semiconductors, combined with a rising dollar and declining yen, slowed export growth and/started to sound alarm bells about future growth prospects. In turn, this threatened the inflow of foreign capital badly occded to sustain current-account deficits. This led to market concerns about exchange rates, bringing pressure on them and leading to their eventual collapse.

Foreseeable, but not forecastable What lessons have been learned from the

crisis, and what can be done to ward off a repeat of the crisis?

sequences of it," says Mr. Eslake, "But these sorts of things are almost mevitable. The Asian crisis was foreseeable in a sense, but oot forecastable."

Mr. Eslake says that a new "financial architecture" must be devised for the world's financial markets, "the sort of processes that are now being developed under the auspices of the IMF and the U.S. Treasury."

The form of a oew international system has yet to take shape. "At the moment it's just talk," says Mr. Eslake, "but it's important to get it right, so that's necessary."

Mr. Sullivan agrees: "There has to be a systematic discussion of the implications for global commerce of massive, fickle currency movements.

Wanted: watchdogs

According to Mr. Eslake, stronger prudential supervision would involve better monitoring of how banks raise the funds that are lent, both in the short and loog term and in domestic and foreign markets. It would require monitoring the concentration of their lending portfolios and their consequent exposure to certain industry sectors; the adequacy of their capital; and the disclosure of, and provision for, nonperforming assets.

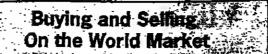
"In the absence of adequate regulation, banks will take more risks than they should," Mr. Eslake says.

Mr. Sullivan suggests that development of local capital markets, especially bond markets, can provide a source of capital that is both cheaper and less volatile than offshore

"East Asia has the savers," he says, "let them have good places to put their money."

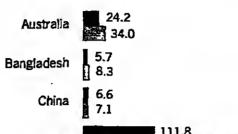
"An important lesson for Western investors is that some of the traditional tools of country risk assessment - which have tended to focus very much on indicators of publicsector performance (such as budget deficits) - and various external indicators (such as foreign debt levels and current-account deficits) are probably less important than we thought," says Mr. Eslake.
"Things such as an accurate assessment of

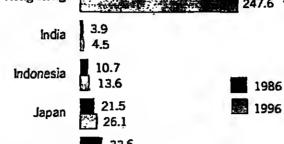
the stability of the financial system, the borrowing and lending behavior of the private "Without being too prescriptive about it, sector, the quality and sustainability of busiboth countries and capital markets as a whole ness investment, and the accuracy, reliability do require changes to the current set of and completeness of information that's availarrangements to minimize the prospects of able about both government and the private something like the Asian crisis happening sector are all-important." •

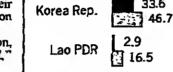


Cross-border trade has become an even greater part of national economies over the last decade.

Merchandise exports and imports as a percentage



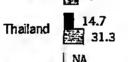






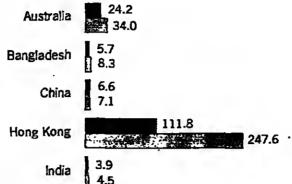


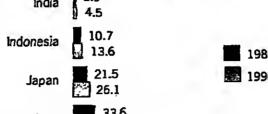


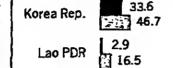


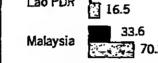
World 29.1

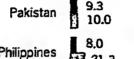
of gross domestic product adjusted for purchasing power parity.

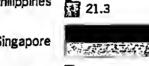


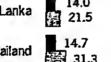












Vietnam 高 17.7 20.7

Source: World Bank

191.0

## BUILDING A. CRITICAL MASS OF BUSINESSES IN SYDNEY

Large financial markets and depth of skills draw international corporations.

with the transfer of Hong Kong to Chinese control in June last year and have intensified with the current Asian fioancial crisis have led to growing corporate interest in Australia as a destination for regional headquarters in the Asia-Pacific re-

Boom in service sector

Sydney, Australia's largest city, is in particular seeing an investment boom in banking, technology and business services, with 90 foreign companies negotiating with the govemment about basing their Asia-Pacific operations there. These companies, and others currently looking to enter the Australian market represent around \$8.5 billion in investment and would create up to 30,000 jobs.

Loftus Harris, the director general of the New South Wales Department of State and Regional Development, says that some of his state's greatest success has been in attracting international phoce call centers. Of 135 such centers in the Asia-Pacific region, hc says, 65 are in Sydney. Next in line are Singapore and Melbourne, with 10 each.

According to Mr. Harris, more than 60 percent of all regional headquarters in Australia are based in Sydney. He says international corporations are increasingly attracted to Australia because of its stable financial, economic and political systems and high standard of living, and the convenience of working in a time zooe close to most of Asia's major cities.

In addition, Australia is now strongly capitalizing oo its position as an advanced Westem-style economy with strong historical, commercial and political links with Europe and North America, but geographically located in Asia and with increasingly strong economic, social and political links with its oeighbors.

However, there is a critical mass factor in which corporations recognize the value of clustering together, and that's what is happening in Sydney," Mr. Harris says.

Of the four internationally recognized finance and business centers in the Asia-Pacific region - Tokyo, Hong Koog, Sydney and Singapore - Tokyo is the clear leader, but Sydney is now in close competition for second place.

Financial center

cific region, and the Sydney Futures Ex- Singapore and Tokyo." ●

The regional uncertainties that began change is the second-largest, after Tokyo. The size of the Australian bond market makes it the first in the region.

Underpinning these financial strengths is the fact that the state of New South Wales has the largest economy in Australia and one of the larger economies in the Asia-Pacific region. It is similar in size to those of Indooesia, Thailand and Hong Koog, and significantly larger than those of Singapore, Malaysia and the Philippines.

Sydney's competitive strengths as a re-gional headquarters location, however, are drawn from more than the muscle of its financial markets. Sydney is one of the most multicultural cities in Asia, with residents who trace their origins to more than 140 different nations. This gives the city a language resource vital to international business, Mr. Harris says, adding that Sydney's second-most commonly spoken language is now Chinese.

"The depth of skills we have available makes it appealing to the corporate sector, especially in financial services," he says.

Highly skilled workforce

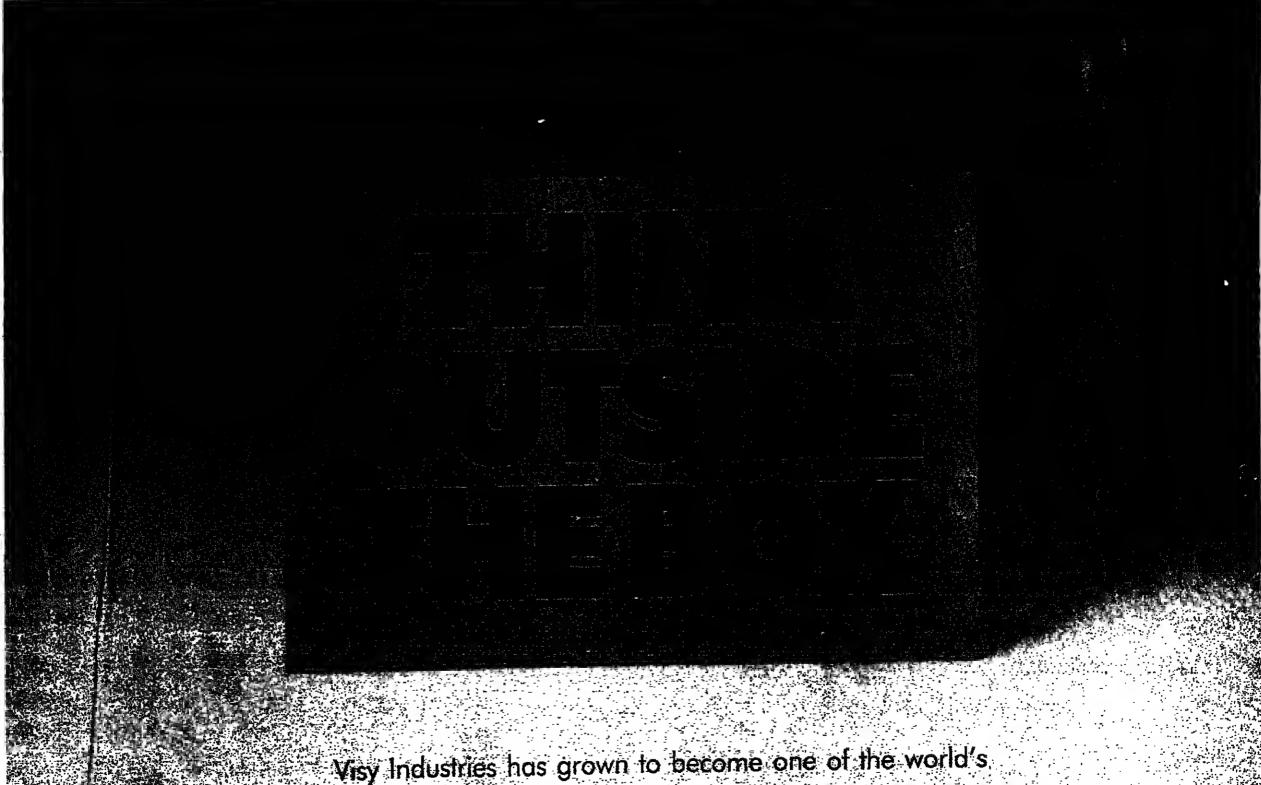
The city provides a highly educated professional workforce, with costs that are relatively lower than those of other Asian cities for comparable staff skills. Turnover rates for professional staff are substantially lower than those of its Asian competitors.

Sydney has the largest pool of computer professionals and financial managers in Australia, is the location of 35 of Australia's 50 top software companies and is Australia's telecommunications center - and is fast emerging as the telecommunications hub of

More than 40 percent of the top 500 companies in Australia and New Zealand are based in Sydney, which is also the nation's gateway for international business, with 78 percent of the nation's business visitors making it their arrival point.

Around 300 coropanies have established regional headquarters or regional management operations in Australia, nearly 200 of them in the past three years. With them have come more than 16.000 jobs and more than \$4 billion in investment.

"Attracting regional headquarters is a key element of Australia's investment strategy, says John Moore, Australia's industry minister. "Australia is now a major force in the The Australian Stock Exchange, based in quest for regional headquarters and enjoys Sydney, is the third-largest in the Asia-Pa- advantages over traditional rivals such as



leading packaging and recycling companies by doing just that. And we're proud to be a sponsor of The Australian Summit.



## ASIA PACIFIC: PERSPECTIVES ON REGIONAL RENEWAL

### NETWORK STRIVES FOR UNBIASED VIEW

TV news balances coverage of controversial issues with sensitivity to cultural sensibilities.

A starting to settle world events. Some 80 million viewers are tuned in.

garded as having the most tread. comprehensive coverage of the Asia-Pacific region. Its ATVI wants to address the penetration of the region is second only to that of Star its reputation as a fair and TV, and equal to CNN's — honest broadcaster in a rewhich recently hired one of gion sometimes hungry for ATVI's top anchors — and

Its "footprint" extends from India and Nepal to religious and cultural audi-Beijing and Western Samoa, ences in 33 countries. reaching 22 million homes

For businesses that have been burned

in the past six months of the Asian

financial crisis, or that - as in In-

donesia - have had to temporarily

abandon their businesses, there are

moments when it all seems too hard.

Perhaps the rewards are simply not

Charles Jamieson, managing direc-

tor of the Australian trade-development

agency Austrade, urges business that

have already established a foothold in

tralia that if the window of opportunity

they've established is now closed in

terms of exporting goods and services.

we can help them diversify their mar-

kets and provide a bridging service so

that they can at least keep a pilot light

burning in Asia. The fatal thing would be

to turn out the pilot light, to turn off the

heat altogether, and walk away. The

business cultures of these markets

Geoff Tomlinson, chief executive of

National Mutual insurance group, says

the Asian financial crisis has presented

companies such as his with "an op-

don't react very positively to that."

"We're telling companies in Aus-

worth the risks.

Asia not to give it up.

t 8 P.M. local time. Peter Campbell, the netjust as Hong Kong is work's general manager.

In a region where governdown for the evening, Aus- ment-controlled television tralia Television Internation- news isn't always as candid al news anchors go on the air as Western audiences are acwith the day's review of customed to, Mr. Campbell is acutely aware of the delicate line that his programmers cast platforms in the region. ATVI's news is widely re- and news reporters must

> On the one hand, he says, issues head on and maintain honest broadcaster in a retrustworthy news. On the other, it also has to broadcast to widely divergent political,

. The television service was "that we know of," says established by the Australian broadcasts will be sensible audience. •

BETWEEN TWO WORLDS: AUSTRALIA'S SPECIAL ROLE IN ASIA

started work in Asia in 1985" to ac-

With representation in 11 Asian Pa-

cific countries, his company "Is one of

the biggest in exposure and geograph-

ical spread in the foreign insurance

business in Asia, and the largest out-

side the U.S.," he says. "We haven't

most senior former diplomats in Asia

and the director of the AustralAsia

Centre of the Asian Society, believes

Australia has a special responsibility to

remain closely engaged in Asia, both

for economic reasons and because of

its supporting role as an "honest

sition in the region," he says. "Unlike European countries or the United

States, it is geographically part of the

region, for a start, and our major se-

curity concerns and our major trading

partners are all in East Asia. Apart from

that, after China and Japan, Australia is

the largest economy in the region and

is now the principal destination in the

"Australia occupies a special po-

Richard Woolcott, one of Australia's

lost our appetite for Asia."

broker" in the region.

quire fund management assets and

existing life insurance businesses.

Indonesian Palapa C2 satel- out taking sides. lite and cable rebroadcasts,

the region who have built a English-speaking and probinformation to the Asian re- dish to receive our service." gion has never been more important than it is now.

ical of events in the region, but we won't shy away from

Broadcasting Commission in rather than sanitized. The real 1993 and was acquired by the focus for a broadcaster now commercial Seven Network is to be as involved as poslast year. It broadcasts via the sible in the region, but with-

"One criticism in the past and is considered to be one of of this service was that it the most influential broad- appeared to he aimed at Australian expatriate audiences. "Our news programs use That's certainly not true now. ABC correspondents around Our audience is indigenous. reputation for fairness," Mr. ably at the upper end of the Campbell says. "The impor- market, given the need to tance of delivering accurate have either cable or a satellite

ATVI will have in-depth coverage of the region during "It would be silly for us to the Australia Summit. There go out of our way to be crit- might even be live broadcasts of the summit, given that Melbourne is in the same the issues, either. Our news time zone as much of ATVI's

five of the member countries of ASEAN

(Association of Southeast Asian Na-

tions), it is now also the main source of

says, "that Australians might develop

'Asia fatigue' and turn away in dis-

appointment from engagement with

is still the part of the world where we are

located; it is our neighborhood, and,

after the current economic crises and

political transitions have passed,

China will still be an enormous influ-

ence, Japan will still be a huge econ-

orny, and Indonesia will still be our near

neighbor of over 200 million people.

There can be no turning back . . . We

says, "is to adjust to the new realities

of a complex East Asia and to approach

them in a calm, reasoned and cooper-

ative manner. Out of this crisis a better

East Asia may emerge, In time, which

will be economically stronger and

sounder. We have the chance to prove

now that we are not fair-weather

"Australia's challenge now," he

cannot put a fence around Australia.

"But we need to remember that this

There is a danger, Mr. Woolcott

defense training."

East Asia.

#### Everyone's Problem

The financial crisis is not just Asia's problem. The World Bank expects economic growth to slow globally and in most regions this year, then to begin recovering in 1999.

	% change in GDP				
'96	'97	*98	<b>'99</b>	2000	
WORLD2.9	3.2	2.6	3.1	3.2	
HIGH-INCOME ECONOMIES 2.5	2.8	2.4	2.6	2.7	
LOW- AND MIDDLE-INCOME ECONO	MIES				
<ul> <li>East Asia and Pacific 6.6</li> </ul>	7.6	5.7	6.3	6.7	
excluding China na	4.0	0.7	3.1	4.3	
- South Asia 6.5	5.6	5.6	6.1	6.3	
<ul> <li>Europe and Central Asia0.3</li> </ul>	2.3	3.0	4.0	5.1	
<ul> <li>Latin America, Caribbean. 3.4</li> </ul>	4.6	2.7	3.7	3.8	
. Middle East & N. Africa 4.1	3.1	2.7	3.2	3.5	
<ul> <li>Sub-Saharan Africa 3.6</li> </ul>					
			Som	oe: Wark	l Bar

## BANK PREDICTS 1999 Turnaround

ince the Asian finan- The ADB has extended Asian Development Bank enable them to increase ex-(ADB) has responded with ports from Thailand. Through the provision of large-scalc, quick-disbursing assistance to Thailand and South Korea, in collaboration with the International Monetary Fund

proved a \$500 million loan to ance that it is providing to Thailand. The loan supports support implementation of a program to ease the impact reform packages. of unemployment and to initiate structural reforms of the of weak economic growth for economy through the development of human resources. adding that some countries, In Korea, the bank's recent assistance includes a loan of Thailand, will see their econ-\$4 billion to support the financial sector through increased reliance on market however, that recovery will forces and independent reg-

ulatory oversight. The ADB, says Vice President (Region East) Peter Sullivan, is also cooperating closely with the IMF and other multilateral and bilateral institutions in providing sim- are expected to lead the way

ilar assistance to Indonesia. Resources have also been countries cushion the social impact of the economic fallout by supporting the de- already made progress in rethe most vulnerable people. before the crisis.

cial crisis unfolded in support to small and medium-July last year, the sized enterprises (SMEs) to its guarantee operations, the remains to he done. ADB mobilized nearly \$1 billion from the private sector to

support export activities. The bank is also consid-(IMF), the World Bank and ering similar support for othvarious bilateral institutions. er countries in the region, in Late in 1997, the ADB ap- addition to technical assist-

"This year will be a year Asia," says Mr. Sullivan, notably Indonesia, Korea and omies shrink.

The ADB begin in 1999, assuming the necessary reforms are undertaken, It further predicts that, with policy reform and better institutions. Asia will again experience high growth. South Korea and Thailand because Korean President Kim Dae-Jung has been discountry's LMF program and because Thailand had

## PUBLIC AND PRIVATE SECTORS AT THE AUSTRALIA SUMMIT

he Australia Summit. Regional Repewal Opportunity in a Time of Challenge has been convened by the International Herald Tribune and organized in cooperation with the federal and Victorian governments of Australia. To be held in Melbourne from June 15 to 17, it will focus on the future of Asia and the role and significance of business as a vehicle for change.

More than 30 speakers — including prominent goverument leaders, company heads and business commentators - will look at the short- and long-term future of the region, government response to the current challenges and private sector strategies for success.

The chief executive of the Hong Kong Special Administrative Region, Tung Chee Hwa, has been confirmed as keynote speaker. Singapore Minister for Trade and Industry Lee Yock Suan and Thai Deputy Prime Minister Supachai Panitchpakdi will also present papers.

Representatives from Japan and Vietnam, as well as North

America, Mexico and India, will join Australian Prime Minister John Howard and Deputy Prime Minister and Trade Minister Tim Fischer for frank discussions about where the region currently stands on the road to recovery and what

Warm welcome Victorian Premier Jeff Kennett extends his welcome to the conference participants.

"As change continues to sweep across the region and further afield at an unprecedented pace, it is timely that we pause to examine our world. The Australia Summit is a key initiative; an opportune and important gathering to look at the issues of regional renewal and how we in government can work together with business to ensure continued growth and prosperity. I look forward to welcoming you to The Australia Summit, to hearing your ideas and sharing some of our own. with you, and learning of your plans for growth and continued success."

Peter Sullivan, vice president (Region East), Asian Development Bank, and Jean-Michel Severing vice president, East Asia and the Pacific Region, the World Bank, will address the issues of infrastructure change and the role of their respective organizations.

Corporate leaders from Australia, Asia/the United Kingdom, continental Europe and the United States will speak on sustainable development and the environment, strategies for maintaining successful multinational commanies in a time of upheaval, new applications for technology the mergers and acquisitions environment in the region and criteria for Asia Pacific site selection

Landmark meeting

This will be a landmark meeting and the of the most used to help the affected ciplined in implementing the significant in the Asia-Pacific region this year, providing unprecedented networking and learning opiortunities.

For delegate registration details, please contact the IHT-Australia Summit Secretariat, 123 Erskin Street, Middle livery of essential services to forming its financial sector Park, Victoria 3206 Australia, Tel.: (613) 966 0899; fax: (61 3) 9686 0922; e-mail: cci@majestic.com.ar • 

## An investment

portunity we haven't seen since we region for overseas tertiary training. For friends,"

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Lord Florey received the 1945 Nobel Prize for Physiology and Medicine for developing penicillin.

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# Signs of Recession Mount in Malaysia

economy is almost certainly heading for recession, economists said Sunday after the central bank released data showing a 1.8 percent contraction in lifust-quarter gross domestic product against the first quarter of 1997.

Bank Negara Malaysia said Satur-

day that the contraction was led by a severe slump in the construction in-dustry, which shrank 10 percent from a

year earner.

Manufacturing contracted by 2.4
percent and agriculture by 2.8 percent.
Only the services and mining sectors
expanded, by 2.9 percent and 2 percent respectively. The nverall 1.8 percent contraction was the first quarterly concontraction was the first quarterly conritraction in 13 years.

: "I think we are already in a re-cession," a senior analyst with a foreign brokerage said Sunday. "There is nothing to show that anything has changed in the second quarter."

KUALA LUMPUR — Malaysia's International in Singapore, said the question now was not whether the economy was in recession but "bow long and deep it will it be."

Analysis have said that Bank Negara could ease interest rates to aid a faster recovery. The central bank has a tough monetary policy that has kept interest rates high and made it difficult for

businesses to get loans for expansinn.

The first thing when you have negative growth is the try and bring interest rates down to help the recovery of the economy, but inflation is one main warry." said Mr. Sani.
"Your currency would also be weakened by lower interest rates. Get-

ting the right balance is quite tricky." Bank Negara said Saturday that it expected to see an improvement in the second half of the year. The ringgit has lost about 30 percent nf its value against the dullar since the start of the Asian financial crisis in July.

Malaysia last experienced recession in 1985, when the GDP fell by 1.2 percent for the year. The resource-rich country, then heavily dependent no commodities, was dragged down when global prices and demand collapsed. Then, the government accounted fin f Malaysia's total investment while the budget deficit soared and external debts reached dan-

gerous proportions. The country emerged from the pit by carrying out bold privatizatinn policies and hastening the growth of the manufacturing sector, which now

drives economic growth.

But unlike the 1985 crisis and the countries now embroiled in the Asian crisis that stemmed from swallen external debts, analysts noted that Malaysia's problems were punctuated hy high domestic borrowings and the failure of companies bruised by the crisis in service their loans. (Reusers, AFP, Bloomberg)

## More Gloom Ahead for Indonesia

#### Jakarta Faces Huge Task to Halt Economic Slide, IMF Official Says

By Seth Mydans
New York Times Service

JAKARTA - A top nfficial of the International Mnnetary Fund has said that the economic situation in Indonesia is far worse than earlier estimated and that the Fund will relax its deadlines for the imposition of austerity measures.

The official, Hubert Neiss, whn heads the Asia nffice of the fund, said Sat-urday that the economy could contract by double the amount the IMF estimated this year as soaring inflation and unemployment take their toll.

"It seems most think the economy could contract this year as much as 10 percent, possibly even more," Mr. Neiss said as he ended a five-day visit here to assess the situation following the resignation of President Suharto. Some private economists say the shrinkage

could be as much as 20 percent. Halting this deterioration, Mr. Neiss

said, will be "an enormous task." "The Indonesian economy is in a serious state and it has deteriorated further," he said, "and the first priority is to stop this deterioration."

He also emphasized that political sta-bility would be crucial to economic recovery. During his visit, he has underscored that prinrity by meeting with a variety of public figures - both government officials and oppositinn lead-

Continuing its new assault on the wealth of Mr. Suharto, who resigned under pressure May 21, Indonesia took a step he bad resisted for months, canceling tax breaks for a "natinnal car" program run by his son, Hutomo Mandala Putra, that had become a symbol of the family's self-indulgence.

The daily newspaper Bisnis Indonesia also reported Saturday that the government had canceled four port-service contracts owned by Mr. Hutomo.

In addition, the daily Jakarta Post reported that police were reviewing contracts with a company owned by Suharto's eldest daughter, Siti Hardiy-anti Rukmana, for processing driver's

The corrupt practices and nepotism of the Suharto government have been a major target of the reforms demanded by the IMF, and with Mr. Suharto's departure, the old system appears to be crumbling. Mr. Neiss said that he would report back to the Fund's headquarters Washington, where a decisinn would be made on resuming stalled payments from a \$43 billion rescue package orig-

inally signed in October. As he had with political reforms de-manded by his people, Mr. Suharto repeatedly made promises in the IMF, only to delay and retreat, requiring repeated revisions of his agreements. The

See RUPIAH, Page 21

## Salomon And Nikko Negotiate An Alliance

TOKYO - Nikkn Securities Co., the third-biggest brokerage in Japan, an-nounced Sunday that it was negntiating an alliance with Salomon Smith

. An executive at Nikko said that further details could not be released because the discussions were continuing.

Travelers Group Inc., Salomon's nwners and Nikko's largest shareholdcr, wants to buy np to 25 percent of Nikko for as much as 200 billing yen (\$1.44 billion); the Nihon Keizai business daily reported. The deal would surpass the stake held by Bank of Tokyo-Mitsubishi.

Travelers is in the process of acquiring Citicorp of New York to form. the world's biggest financial company. Snurces close to the deal said that Nikko and Salomon were aiming to establish a joint securities firm, perhaps

MIRIN

The firm would manage such financial products as derivatives, underwrite securities and engineer large-lot sales of securities to corporate customers, the report said. Salomon would ultimately manage corporate business while leaving Nikko to specialize in the retail

The Nikko-Salomon talks fullow more than a dnzen alliances announced by foreign and Japanese financial companies in the past year. The foreign firms - Merrill Lynch & Co.; Goldman. Sachs & Co., and Fidelity Investments - are teaming up with Japanese companies to grab a slice of the 1,200 trillion yen (\$8.7 trillion) in financial assets owned by Japanese in-

So the report of the Nikko-Salomon talks served to push up the volume of the shake-up nf Japan's "Big Bang" securities industry.

"Foreign houses with know-how in developing sophisticated financial products see Big Bang deregulation as an opportunity to make a full-fledged entry into Japan," said Brian Water-house, an analyst at HSBC Securities Japan Ltd.

Japanese financial institutions, meanwhile, are besieged by scandals and mounting problem loans, even as they brace for greater competition stemming from Big Bang deregulation.

Ensconced for decades in a highly protective market, Japanese banks and brokerages have not developed an expertise in fashioning sophisticated financial products or in international asset

management. Now many of them are considering alliances with a foreign-owned firm to learn such skills to survive. (Bloomberg, Reuters)





The dealing room in 1951 at Generale de Banque in Brussels, left; the modern facility in the Horta tower at the main office of the bank, which has just celebrated its 175th anniversary.

## Ironic Rewriting of History in Battle for Belgium's Largest Bank

By Barry James International Herold Tribune

BRUSSELS - Whoever wins the bidding war for Belgium's largest banking corporation, Generale de Banque SA, will also be acquiring a substantial

slice of the country's history.

The bank, which has just celebrated its 175th anniversary, is nlder than the nation itself.

Although founded by a Dutch monarch, the bank became synonymous with the country's French-speaking plu-tocracy as it financed Belgium's industrial revolution in the 19th century. Until the middle of the 1960s, it banned the use of the Dutch language in its head office and even in administrative offices

in the northern part of the country.

But now, it appears likely it will be acquired by either ABN-AMRO Holding NV of the Netherlands or the Dutch-Belgian financial conglomerate Fortis

the other is part of a major restructuring of the financial services industry in Europe, which is likely to accelerate with the adoption of the European single currency, the euro, in January.

Financial analysts say the struggle for the control of Generale is a dramatic example of how the curn is breaking down national barriers and creating a large unified market in which only the big players capable nf operating on a continental scale are likely to survive.

Generale's board met Friday to cnnsider the offers, and Belgian newspapers reported that Fortis was selected nn the condition that it matches AMRO's offer. Generale executives were nnt immediately available for comment.

Fortis appears to offer the best hope that Generale can survive as an antonomous Belgian bank. It proposes to meld its insurance and other interests in the Netherlands with Generale's banknancial group.

After months of talks, the deal appeared to he sewn np, with Fortis nf-fering an all-stock deal to exchange seven of its shares for every three of the bank's shares.

But AMRO stepped in last week with a counter-offer of 24.5 hillion Dutch guilders (\$12.19 billion) in shares and cash to buy 100 percent of Generale - an offer that, on the day it was made, was more valuable to Generale shareholders than the Fortis bid by more than 15 percent.

After AMRO shares declined, the

bulding company said it would add up to 3 guilders a share to bold the value of its bid at 27,095 Belgian francs (\$736.38) for each Generale share.

AMRO's unexpected shook the clubhy world of Dutch banking.
Hans Bartelds, the president of Fortis's

Dutch operations, Fortis Amev NV, was visibly angered by what he called a hos-

meet Friday to decide whether tn top AMRO's offer, and the formal hidding is likely to start the following week.

An AMRO purchase would be the second sale of a major Belgian bank to Dutch owners in a matter of months, with the Brussels-Lambert bank BBL. now part of Internationale Nederlanden

It is a kind of rewriting of history.
William I of Orange, the ruler of the
United Kingdom of the Netherlands, set up the General Company of the Netherlands for National Industry in 1822, endowed it with crown lands in the southern part of his realm - in effect, a way of turning real estate into cash - and established its headquarters in Brussels. After the 1830 revolution that created an independent Belgium, the bank became chief financier to the young state and for a while issued the nation's currency.

It formed close links with France and

Typo.Net, believes he may have been

the first to see apportunity in doofuses

"I think unfortunately I'm the guy

who started this wbnle mess," said Mr.

who can't type straight.

financier for Belgium's colonial expansion in the Congn. The holding company and the bank were split into separate units in 1934. In 1988, the French Suez group acquired the holding company, Societe Generale, after an epic battle with the Italian financier Carlo De Benedetti. Societe Generale de Belgique is still the bank's principal own-

er, with 29.7 percent of the capital. AMRO sought an alliance with Generale in the 1980s, but Suez, which opposed Dutch participation in the bank, stopped the move.

veloped into a major halding company.

The company provided the capital and

nften the management for the coal-min-ing and heavy industries of Wallania. It

built railroads in Mexico, Brazil, Ar-

gentina, Russia and the Ottoman Em-

pire. It funded the world's first purpose-

built shapping mall, the Galeries Saint-

Hubert in Brussels. And it was the chief

#### **CYBERSCAPE**

## Address Your Search With Care: Sites Benefit From Surfers' Typos

By Linton Weeks Washington Post Service

WASHINGTON - Everybody makes mistaeks.

Especially when typing in those pesky Internet addresses. Now some compa-nies are turning your gaffes into gold. Say you want to order a book from Amazon.com Inc., the on-line book-store. You log onto the World Wide Web and type the bookstore's address into the little box at the top of the screen. By

accident you write "Amazom" (with an m nn the end) instead of "Amazon."

Sure enough, a bookstore's page anpears. At least it looks like a bookstore's page. Search the Book Stacks, it says. And you can type in the name of the book or author you're looking for. The search, however, does not take you to the stacks of the Seattle-based Amazon.com, but to the site of Books.com, a rival outfit based in Cleveland that has been nn the Internet

in one form or another since 1991.

Or say you're looking for the Web site of Ford Motor Co., but, silly you, you transpose a couple of letters, the 'n' and the 'r.' You'll wind up at Murray's Auto Supply in Miami, a company that registered the faux pas.

How insidious! How ingenious! All around the Web, sites are springing up that make hay of human errors. Whoever thnught of such a scam? Amazom (with an m on the end) and

Murray's are independently owned operatinns, But Rubert Hoffer, founder of

Hoffer, 34. His company is in Mountain View, California, in the same building as a group that searches for extrater-restrial life. Mr. Hnffer explains that every day,

countless people make mistakes while typing in the uniform resource locator, or URL, of a company nr an organization. Usually, the URL is preceded by three W's in a row to tell the machine to gn to the World Wide Web, That, Mr. Hoffer says, is where most folks foul up.

For someone who is a tnuch typist, or someone who's not," Mr. Hoffer said, 'the construct 'www' misfocuses your energy and attention so that the next thing you type after that will be a mistake."

Often people who bang in the wrong address wind up with what is known as a "404 Object Nnt Found" page. This tells you that there is nn such URL on the Internet

But "404 resolves too slowly," Mr. Hoffer said. If, however, the mistaken page has been commandeered by Mr. Hoffer and Typo Net, the person who screws up is whisked first to some ads, then to the correct page, he says.

Mr. Hoffer and his partner, Timnthy

Kay, have registered domain names -about 80 or so -- that are perilously close to the real things. Typo Net, for instance, owns the rights to www.Micorsoft.com

presumably you wanted in the first place. Oh yeah, while you are on the Typo. Net page, ynu have to stare at an advertisement or two. Mr. Hnffer says he is adamant'y against the practice of companies, like

Amazom (with an m on the end), that

sites belonging tn Microsoft Corp. and

"We started Typo.Net with the in-tention of helping the user," Mr. Hoffer

says. "We wanted to pass them along to

the proper URLs." Sn if ynu cnter "yaho" instead of "Yahoo," you are

transported tn a Typo. Net page for just a few moments, then to the page that

the Yahoo Inc. search engine.

'steal traffic into their domains.' To him, that is address rustling. "We know you made a mistake." he said. "We're just passing you along to the URL you wanted. We solved your

problem and we showed you an ad. Kay Dangaard of Amazon.com said her company was aware of those who profit from others' missieps. "We keep an eye nn the sites," she said, "to ntake sure nur customers are not being

misled. Mr. Hoffer says that Ints of companies are doing what his does. "The industry of typographical errors has grown up. he said.

Internet address: CyberScape@iht.com

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## **CURRENCY RATES**

A Chinese Takeover in Taiwan | Rates | June - 2 | J Closings in Amsterdam, London, Milan, Paris and Zorich, facings in other custons: New York

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TAIPEI - In the first ever takeover of a Taiwan entity by a mainland-based company, Ting Hsin International Group of China has gained control of Wei-Chuan Foods Corp., skirting a Taipei ban on such transactions. The takeover symbolizes the close business ties

across the Taiwan Strait, analysts said Saturday. Taipei has banned mainland companies from investing in Taiwan, fearing Taiwan's economy could be eventually absorbed by China if business

in China, lts "Master Kang" brand of instant noodles dominates the Chinese market. Wei-Chuan, established 45 years ago, is Taiwan's second largest food company.

Hsin's Wei Ying-hsin was elected chairman of Wei-Chuan, replacing Thomas Huang, who is heir of founder Huang Lei-hou. Ting Hsin also got control of 10 of the 15 board directors.

Despite the political sensitivities, some analysts "It is the Wei brothers' way to contribute to the

In mid-1995, Beijing froze what had been slowly warming semi-official contacts with Taipei, prompting the Nationalist government to grow more cautious about its policy nn investment in the

In May 1997, Taipei banned investment in mainland infrastructure to avoid the political vulnerability that could come with becoming over dependent on its rival's huge economy.

strictions on more than 400 categories of mainland investment, including travel agencies, hotels, recreation facilities, warehouses, and car and mo-At a shareholders' meeting Saturday, Ting torcycle parts.

Taking over the listed Taiwan company with its large assets, Ting Hsin expects to gain valuable production technology and raise the much-needed funds from the Taiwan market. viewed the takeover positively.

Taiwan society after making their fortune in China," said Huang Yao-teh, a food analyst at Core Pacific Securities.

Chinese mainland.

At the same time, however, Taipei lifted re-

# CAPITAL MARKETS ON MONDAY Investors Are Holding Their Breath Until Greenspan Testifies Next Week Sian cectral bank tripled its financing rate to 150 percect in an effort to support bood prices benefited last week from the flight of funds from the market tumoid in Rosais and Asia, prices are likely to the stagnant this week as investors await creaks fund Alon Greenspan would speak to a contract of the stagnant this week as investors await creaks fund Alon Greenspan would speak to a contract to the stagnant this week as investors await creaks fund Alon Greenspan would speak to a contract to the stagnant this week as investors await creaks fund Alon Greenspan would speak to a contract to the stagnant this week as investors await creaks fund Alon Greenspan would speak to a contract to the stagnant this week as investors await creaks fund Alon Greenspan would speak to a contract to the stagnant this week as investors await creaks fund Alon Greenspan would speak to a contract to the stagnant this week as investors await creaks fund Alon Greenspan would speak to a contract to the stagnant this week as investors await creaks fund Alon Greenspan would speak to a contract to the stagnant this week as investors await creaks fund Alon Greenspan would speak to a contract to the stagnant this week as investors await creaks fund the stagnant this week as investors await creaks fund the stagnant the stagnant the stagnant the stagnant the stagnant that the stagnant the stagnant the stagnant that the stagnant the sta

remarks from Alan Greenspan, the Federal Reserve Board chairman.

Mr. Greenspan will testify on the ecocomy and monetary policy June 10 before the Joint Economic Committee of Congress, and traders are beginning to worry that he might say something to indicate that the central bank will oghten policy soon.

Fears of a rate increase have subsided in the last few weeks as problems flared

in Russia and again in Asia. In the last week, Moody's Investors Service Inc. downgraded five major Japanese banks, Hong Kong reported that gross domesoc product fell 2 percent in the first quarter from a year earlier, Pakistan followed India in exploding a ouclear device and the Rus-

#### U.S. CREDIT MARKETS

back into the market. Uotil the Fed announced the June 10 appearance, investors had said that Mr. Greenspan's next big opportunity to send the market B Bignal on interest rates would be in

July.
"Greenspan's newly scheduled testimony on June 10 will be the determining factor for the market tooe over the next week and a half," said Hugh Whelan, e senior vice president in the fixed-income group at Aeltus Invest-ment Management. "No matter what you think be will say or how they'll move at the June 30 meeting, the fear has got to be what he might say.

zero 07/04/27

ostional situation as having deteriorated from a collection of brush fires to "a lot of major conflagrations," adding, "Things are far too fragile for Green-span to get up and talk tough ebout

The engine of growth in the Far East, Japan, is in reverse, and it's rolling over people," he said, adding that eveots in international markets had been moving too fast for U.S. bood investors to keep up.

By the end of the summer, he pre-dicted, the bood market will be looking for a Fed easing instead of e tightening. If Mr. Greenspan changes his tune at all June 10, he said, it will be to make it clear that no tightening is oo the ho-

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French Franc

Japanese Yen

Spanish Peseta

249 World Bank

**Polish Zloty** 

to worrying about a tightening if May price indexes were sharply higher, as they were in April.

Mr. Kasriel said investors who are hullish oo Treasury boods tended to be too pessimistic about the outlook for Japan and to underestimate the impact that Tokyo's 16.5 trillioo yeo (\$120.39 billion) in additional government spending will have on the economy.

"I think we're likely to get better numbers out of Japan by the fourth quarter of this year," he said, and once Japan turns, "then the whole sentiment

is going to turn."
While there's little focus oo Europe, he added, "Contineotal Europe is doing better, and parts are positively boomcession, to cause easing.

The yield on the benchmark 30-year Treasury bond finished last week at 5.80 percent, down from 5.90 perceot B week

Economic data scheduled for release this week include the first hig reports for May: the National Association of Purchasing Management index, due Mooday, and employment data, due Friday.

Revisions to first-quarter U.S. gross domestic product, issued Thursday. showed that inventories surged in the quarter, a development that economists say is likely to slow growth in the second quarter, and the Chicago purchasers' May survey suggested that slowing might already he under way. Traders will be watching to see whether

and government. Since manufacturing now makes up only about 20 percent of . the U.S. economy, analysts say they welcome a monthly reading oo the rest, But it may take market participants time to get a good sense of how the new. association measure corresponds with other data.

For the May nonfarm payrolls report, most economists have predicted e mod-erate gain, with the coosensus calling for an increase of 225,000 jobs. So far this year, the average moothly gain has been 224,000. Analysts say while such an increase would show employment growth had slowed from its unsustainable pace of late last year, it still would indicate a tight labor market.

#### **Most Active International Bonds**

The 250 most active international bonds traded through the Euroclear system for the week end-ing June -2. Prices supplied by Telekurs. Cpn Maturity Price Crf Yd

**Austrian Schilling** 5 01/15/08 100.2500 4.9900

**British Pound** 96 Britoin
97 Annin Fin No.4 zero 12/07/22
137 Annin Fin No 4 zero 01/07/23
138 Annin Fin No 4 7.9508 01/22/23
139 Credit Local
149 E18 6 12/07/28
188 Hallfox 69/6 04/03/08
218 Ra 22FO 07/10/03
218 Ra 7 04/07/03 103.2190 6.7800 zero 12/07/22 20.4250 6.6400 zero 017/07/3 18 7.2100 6.79508 01/22/23 95.8554 8.2900 64 02/07/28 100.7500 5.9600 64 04/03/08 100.500 6.3400 zero 07/10/03 58.4664 11.0400 7 04/04/00 99.8750 7.0100

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The Week Ahead: World Economic Calendar, June 1-5 A schedule of this week's economic and financial events, compiled for the International Horald Tribune by Bloomberg Business News

Asia-Pacific

Monday

Thursday

Expected Singapore: APEC Ministerial meet-This Week ing on telecommunications and information industrias. Tuesday through Friday.

Tokvo: Nihon Keizai Shimbun Intemational conference, "The Future of Asia." Thursday through Friday.

Bangkok: Subscription period begins for new shares for Charoong Thai Wire & Cables; consumer price

Sydney: April retail sales report. Tokyo: May automobile sales; Mey foreign-currency reserves.

Sydney: April building approvals deta; Reserva Bank of Australia'e monthly policy-setting board meeting; first-quarter current eccount deficit and net foreign dabt report.

Wednesday Seoul: Fedaration of Korean Industrias to discuss the status of corporate restructuring end future pros-

Tokyo: April vahicle production. Tokyo: April household spending de-ta; Bank of Japan to issua financial

Company meetings: ANA Hotels Singapore, Technology Resources Industries, Rock Chemical Industries (Malaysia).

Taipei: May consumer prica index. Sydney: Metal Manufactures holds shareholders' meeting to vote on the sale of its cable husinesses to its parent company, BICC.

monthly meeting on interest retes. Wednesday and Thursday. London: Bank of England to issue provisional estimates for narrow MO

Geneva: Conference on the single

foreign-currency trading. Thursday

London: Bank of England's Mon-

etary Policy Committee to hold

through Saturdey.

European currency, the internet and

money eupply in May. Madrid: Mey new-car sales Zurich: Swiss Purchasing Managers Association expected to reease index for May.

Copenhagen: May purchasing man-Frankfurt: Otmar Issing, a European Central Bank board member, to address tha Frankfurt Internation-

al Business Journalists Forum. Madrid: March employment survey. Madrid: April Industrial prices report. Paris: April industrial prices report. Vienna: International Monetary Conference with heada of the Federal

Reserve Board, Bundesbank, Bank of England and others.

London: Confederation of British Industry to issue distributive trade aurvey for May; new construction orders in April. Roma: April producer prices.

Wiesbaden, Germany: First-quar-ter gross domestic product. Bern: May unemployment figures. London: Vickers holds a meeting to

approve Volkswagen's bid for Rolls-Royce Motors Luxembourg: European Union fi-nance ministers to meet. Rome: May consumer prices.

Washington: May unemployment report; Federal Reserve System to issue April consumer credit data and waekly report on commercial and industrial loans at commercial banks. Company meetings: Protto Her-

Banff, Alberta: 1998 Asset Securit-

ization Forum. Through Wednesday. Miami: World Research Group con-

ference on Latin American pension

systems. Tuesday and Wednesday.

eattle: Nasdaq stock market's In-

ternational Technology conference. Tuesday and Wednesday.

Sao Peulo: Sun Microsystems to

discuss its investments plans in

Washington: April construction

spending; National Association of Purchasing Management releases May purchasing managers' index.

Auburn Hills, Michigan: Chrysler

to issue May automobile sales data.

Washington: Conference Board to

issua April leading economic indi-

Dearborn, Michigan: Ford to issue

Washington: Netional Association of Purchasing Management to issue nonmenufacturing index for May.

Detroit: General Motors to issue

Washington: Weekly unemploy-

ment claims; April factory orders; revised estimate for first-quartar

Earnings expected: Hayes Lem-

Mey euto sales data.

May auto sales data.

productivity.

merz International.

cetore; new home sales for April.

Brazil.

## Rush to the Dollar Slows Bond Issues

By Carl Gewirtz

ional Herald Tribune PARIS — The taste for risk went out of fashioo again last week as renewed distress in emerging markets in Asia and Russia sent investors running for safety - into the dollar and into the U.S. Treasury market as well as other govemmeot-bond markets.

J.P. Morgan & Co. reported that its global government bond index rose 1.16 ercent in local-currency terms in May, the ninth consecutive monthly gain. The biggest gains last month were registered m Australia, up 2.5 percent; Sweden, 1.8 percent, and Japan, 1.5 perceot. Bot its index for boods in emerging markets fell 3.4 percent.

New-issue ectivity in the international capital market slowed markedly with some large issues — such as Rabobank Group's planned sale of \$1 hillioo worth of 10-year bonds — postpooed until conditions settled.

Those who thought they could hrave the climate were shown to be mistaken. Austria sold 1 hillioo Deutsche marks (\$561.1 million) of 10-year bonds at 0.06 percentage point, or six hasis points, over German government rates, hut the bonds eoded the week at a spread

of nine basis points over German rates. The dollar finished the week at e seven-year high versus the yen -- an advance widely forecast due to the recessionary conditions in Japan. The dol-lar traded at a high of 139.25 yen before ending the week at 138.85 yen.

Currency traders said that fear of intervection by the Bank of Japan was preventing an even sharper decline in the value of the yen. In late April, the central bank speot about 10 percent of its reserves supporting the currency.

Despite their fears, dealers said they doubted that the central bank would intervene so long as the yen only inched lower. Officials, they said, are aware that speculators will seize any effort to push the ven up as an opportunity to dump the curreocy at a more favorable price.

The surprise was the dollar's performance versus the Deutsche mark. The dollar had numbled the previous week to 1.7545 DM, a low oot seeo since the beginning of the year, on optimism about the creation of the euro, the single European curreccy, and expectations that short-term interest rates would turn sharply in the mark's favor as growth in Europe accelerated this year while U.S. growth abated.

favor. Paul Meggyesi at Deutsche Bank, called the swing betweeo gloom and op-timism on the dollar overdone. He predicted that the dollar will move to a lower trading range of 1.75 to 1.80 DM from 1.80 to 1.85 DM at the start of the year. The recovery of the dollar last week finishing at 1.7860 DM amid worries. aboot financial turmoil in Russia, was exaggerated, he said.

Germany's exposure to Russia, he asserted, "is completely manageable" and oot at all comparable to Japan's exposure in Asia.

"Russia accounts for only 2 percent of Germany's exports and all of Eastern." Europe accounts for just 8 percent of exports," he said, "while Asia takes." over 40 percent of Japan's exports."

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On the financial side, he said, the latest data show that German banks had \$50 hillioo worth of loans outstanding in Eastern Europe, of which \$30.5 billion was to Russia. In contrast, he said, "Jap-" anese banks have extended \$114.7 billion in loans to the much more volatile Asian. region. But even more important than the relative exposures, the financial health of the German banking banks leaves the Germans in a much better situation than the Japanese in dealing with the fallout of Then suddenly the dollar was back in any bad-loan write-offs.

## Small Firms Start Looking Good Again

NEW YORK - Shares of small companies could be the first to make a comehack this week as iovestors huy shares at cut-rate prices after a moothlong decline in the U.S. stock market.

The Dow Jones industrial average has lost almost 3.5 perceot of its value in the past two weeks, and the drop has beeo eveo steeper for the Russell 2000 Index of smaller companies, which has declined 7.03 perceot since April 21.

"The recent market correction has been bloody, and much more difficult in small-caps than in large," said Steven Hayward of Marshall Funds. "Now it's ready to turn around."

For the year to date, the Russell index is up just 4.48 percent, lagging the 12.54 perceot gain in the Dow and the 12.41 percent rise in the Standard & Poor's 500-stock index.

Eugene Gardner, a money manager for small-capitalization stocks at David L.

"If you look at the earnings from the

INVESTING

smaller companies. they're showing better growth than the larger ooes. but oo the stock market, the larger companies are doing better," he said. "That tends to suggest a risk to the larger market.

Small companies should be doing better - or the big ones should be doing worse - Mr. Gardner said, especially with renewed coocern that Asia's trouhles will crimp U.S. corporate profits.

"The situation in Asia will have a

"What is a little alarming to me is the much greater impact on the growth rates" real gap that has opened up between the for the large multinational companies, the Russell and the S&P and Dow, said he said. "Small companies are so for cused domestically, it would have much less impact on the profitability of small

The Russell's slump, Mr. Gardner id, "says more about what's going on with investors' focus on hig companies. People have an instinct to move to quality, and they perceive the bigger names to have that.'

Not all mooey managers are con-vinced that small stocks will lead the market out of its slump.

"I see the leadership being maintained by the large-cap names that have e steady earnings history," said Ned Riley of BankBostoo Corp. "People are going to gravitate back to the tried and true: health care, financial and eveo the hig technology oames."

#### **New International Bond Issues**

Compiled by Paul Floren

Floating Rate Notes Alcotel Aisthorn Over 3-month Liber. Callable at par in 2000, Fees 0.1875%. (J.P. Morgan.) Bendigo Bank \$100 BOS Infl. \$200 1999 0.0625 100.018 -Canadian Imperial Bank of \$200 Huntingdon National Bank \$100 2008 0.45 101.15 Over 3-month Libor. Reaffered at 100. Callable at par in 2003, Fees 0.375%, (Lehmon Brott MBIA Insurance 2008 0.32 100 Over 3-month Libor. Catlable in 1999. Fees 0.30%. (Morgan Stanley Intl.) Fixed-Coupons 2008 6 99.581 99.46 Semi-annually. Collable at par in 2000. Fices 0.325%. (Margan Stanely Dean Wiffer.) \$500 Stena Line 2008 1056 100 Callable in 2003. Fees 234%. (Chase Securities.) 5 100.316 100.35 Nancallable, Fees 0.325%, (Warburg Dillon Read, Austria 2005 434 99.169 99.30 Noncollable, Fees 0.30%, [Barclays Bank,] Toyota Motor Credit European Investment Bank - Noncoliable, Fees 0.30%. (A8N Amra.) Reoffered 99.957. Noncollable. Fees 1 %A. (ABN Armo.) Reaffered at 99,727. Noncallable. Fees 1 %%. (CAL) Citibank Credit Card Master 2009 5 Vi 99.21 99.30 Noncalable, Fees 0.325%, Denominations 100,000 francs, U.P. Marsan, 1 Oresdner Finance Noncollable. Fees 0.375%. [Dresdner Kleinwort Benson.] FF1\_500 Westdeutsche Landesbank 2013 514 100.67 - Reoffered at 99.07. Noncaliable, Fees 2%. (Banque Nation 2003 514 101.18

Last Week's Markets

Stock Indexes **Money Rates** Japan Nickei 225 15,670.78 15,801.60 - 0.83 7,589.80 7,714.70 CAC 40 5.569.08 5.564.21 + 0.09

London p.m. fbr.\$ 293.60 300.25

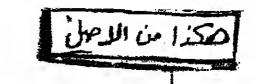
**Euromarts** 

**Eurobond Yields** Weekly Sales May 28, Eurochier \$ Non5 613.0 2,569.3 79.8 134.7 1,230.5 17.579.0 18.092.7 18.326.7 21.972.3 S Nexts — 244,1 Ness S Ne

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World index from Morgan Stanley Capital Intl Perspective



# Cut-Rate Caskets Inspire A Feud With Mortuaries

## Change in U.S. Law Opens Competition

The Associated Press NEW YORK — Even in death, a pargain is a bargain.

Disarmamen

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And this is a big one: a casket for up to 75 percent less than the price charged by funeral homes, with delivery anywhere in the United States at any time and a choice of 40 styles.

The deal offered by Direct Casket stanted after the Federal Trade Commission told the 23,000 U.S. funeral bomes several years ago that they had to accept caskets purchased elsewhere and could not charge a bandling fee for doing so. The change has helped fuel a morbid

competition, a sort of a David vs. Goliath bout between big mortuaries and small retailers.

Small wonder: The average cost of burying someone now hovers around \$5,000, with the casket the single most expensive item, at about half the total. Direct Casket opened a storefront shop last week in New York City. The sign on its awning reads, "Caskets Sold Directly To Consumers, 1-800-73-CASKET.

Shiny open coffins with price tags are visible to pedestrians peering through the shop windows. The markup is 100 percent, but at funeral bomes it sometimes is 300 percent to 500 percent.

"I saw an ad in the paper that caught my eye — 75 percent off," said Robert Rawls, who bought a casket in which to bury his brother. "And then, it was almost like walking into a department store, very comfortable. It didn't keep vou feeling down.'

For \$1,195, he got "Going Home," a steel casket with a blue crepe interior. It

#### **Drachma Devaluation** Hit Greek Phone Firm

Bloomherg News

ATHENS — Hellenic Telecommuinication Organization SA posted on Sunday a first-quarter net profit of 45.2 billion drachmas (\$148.5 million).

But the state telephone monopoly, known as OTE, said it suffered a loss of about 10 billion drachmas when Greece devalued its currency by 14 percent against a basket of European currencies as it joined the European exchange-rate

mechanism. That aised the drachma value of its foreign-currency debt.

The company said comparable 1997 figures were not available because it did not prepare results using international accounting standards last year. Still, OTE said operating revenue rose at least 12 percent from a year earlier, to 207.6

cost \$1,400 less than a comparable one at the average funeral home, said Ray

Silvas, president of Direct Casket.
After the 1994 trade commission ruling, the Van Nnys, California-based company helped break a virtual lock on casket sales by funeral directors. Mr. Silvas's seven stores, five in California and two in New York City, are among about 100 such businesses nationally that have changed the way America

deals with death - at least financially. Conglomerates have bought up many small, family-owned funeral parlors, leaving three giants to dominate the \$25 billion industry and handle one in every

five funerals.

Mr. Silvas, a 32-year-old former social worker, runs stores that sell about 4,000 caskets and gross \$3.7 million a year. He has taken the burying business on-line, too, with a company Web site. And he also fills unusual orders.

A Nigerian diplomat recently ordered a mahogany coffin flown to Africa for the burial of a tribal chief, he said. A roman called to ask for one for her German shepherd, and another customer bought a coffin for use as a wine rack.

Kelly Smith, spokesman for the Milwaukee-based National Funeral Directors Association, which represents 15,000 professionals, said that while retail stores such as Direct Casket "give consumers another option, we bave members with prices that are competitive, too."

The nation's largest casket manufacarer, Batesville Casket Co., based in Indiana, stays far away from the cut-rate

We will distribute only to licensed funeral directors, and our caskets come with a warranty," the company's spokesman, Joe Weigel, said.

At Direct Casket, prices start at \$295 for a plain pine coffin used for Orthodox Jewish rites, compared with an average cost of \$695 at a funeral bome. The most expensive item is a \$3,495 bronze casket with a brush lacquer top and a tufted velvet interior that Mr. Silvas said normaily sells for at least \$10,000.

The 24 coffins on display and 16 more available from a catalog are made by six manufacturers who bave asked r. Silvas not to release their names. 'They're afraid they'll lose business, because we're undercutting the funeral

homes," he said. Officially at least, funeral bomes are not resisting the changes. It is the law.

"But when people are grieving, it's not like buying a car. You need to be very careful," said Terry Hemeyer, spokesman Hors Service Corp. International in Houston, one of the three industry giants.

## SITEL to Hire 10,000 U.K. **Call Operators**

LONDON - SITEL Corp., a U.S. company that operates call centers, said Sunday that it would create 10,000 jobs in Britain over the next five years.

The company's SITEL UK Ltd. subsidiary said it planned to quadruple sales to about \$400 million a year by 2002 and increase staff numbers to more than 12,000 from

Call centers, where operators deal directly with customers for companies in insurance, banking and other industries, have grown strongly in Britain.

The London School of Economics has estimated that at about 270,000 employees, there are more people working for telephone call centers in Britain than coal miners, steelworkers and auto industry employees combined.

SITEL said it expected an increasing number of companies to subcontract customer-service oper-

Paul Cresswell, who is in charge of the expansion plan, said, "The number of call centers will rise from currently 3,500 to around 5,000 in the year 2002.

"Those companies using such a large resource need to work with an innovative partner which has the right skills, resources, processes. flexibility, breadth and attitude to deliver world-class solutions to meet the developing challenges of customer management," Cresswell said.

## The Race for Rolls-Royce Approaches Finish Line

Blownberg News

FRANKFURT — Volkswagen AG and Bayerische Motoren Werke AG have made it clear the eight-month auction for Rolls-Royce Motor Cars Ltd. will not be over until Vickers PLC shareholders bave cast the last vote at a special meeting Friday.

While Volkswagen is expected to win the auction with its £430 million bid (\$701 million), it is not taking any chances, and company representatives met over the weekend to discuss the final week of battle.

VW's chief executive, Ferdinand Piech, said he thought VW still only had a "50/50" chance of winning.

BMW, whose £340 million bid remains on the table, says it does not plan "to sit in a corner" and will try to win Vickers's sharebolders to its side but denied reports that it was planning a higher last-minute offer.

"I don't think we have seen the end of the game," said Guy Hewett, an analyst at Charterhouse Tilney Securities in London. "BMW wants Rolls just as much as VW, but I can't see any way of winning without raising the bid."

A group of Rolls enthusiasts are reported to be preparing a bid to rival the two German automakers. The group calling itself Crewe Motors, led by Michael Shrimpton, will offer Vickers £450 million for Rolls, the Sunday Times reported. Crewe has also offered to match the £350 million Volkswagen said it would invest in developing Rolls-Royce models.

The drawn-out fight for Rolls that has been played out as much in the media as it has in the boardroom reflects the importance the two carmakers attach to acquiring a top segment brand that will

Mr. Neiss made his remarks at a news

conference in the office of the coor-

dinating minister for economics and fi-

abide by the country's commitments to

the IMF, said that his immediate

strategy was 'to deal with the urgent situation.' This would include address-

ing impending food sbortages, creating

labor-intensive projects to employ people and helping small companies

and exporters to revive their busi-

At the same time, Adi Sasono, the

Mr. Ginandjar, who bas pledged to

nance, Ginandjar Kartasasmita.

contribute more to prestige and image than earnings as both companies look to expand their model ranges across all segments.

Some 500 Vickers shareholders are expected to turn up Friday at the Horticultural Halls in London at 10 A.M. to vote on who will be the next owner of the world's most prestigious car marque. A lively debate is expected with some smaller shareholders, eager to keep the brand in British hands, likely to voice complaints over the sale of Rolls to a German company.

Mr. Pischetsrieder, 50, and Mr. Piech, 61, have sought to deflect nationalist sentiment about the sale of Rolls by promising to maintain the "Britishness" of the company. They have sketched out similar ideas for developing the Rolls-Royce and Bentley brands, the crux of which is centered around making a new cheaper Bentley to increase volume.

Institutional sbareholders, which own 95 percent of Vickers, will be unmoved by the nationalistic fervor and are likely to vote for the highest offer. The company's largest shareholder, Schroders Investment Management, which owns about 19 percent of Vickers, declined to comment on which way it would vote but said the decision would be made in its shareholders' interests.

One unknown factor still is Rolls-Royce PLC, the jet-engine maker that owns the Rolls-Royce brand name and says it can veto the purchase of the carmaker by a foreign buver. Rolls-Royce has publicly come out in favor of BMW, with whom it has an jet-engine joint venture and reiterated its commitment to BMW again last week. Its veto rights have yet to be tested in court.

## RUPIAH: IMF Says Indonesia Is Worse Off Than It Had Thought

#### Continued from Page 19

IMF accords set a number of deadlines for austerity measures developed to make the economy more open and efficient, at the cost of short-term hardships including higher prices and possible shortages of commodities. But Mr. Neiss said those target dates were now

"When it does not make sense to stick with certain deadlines," he said, we have to be pragmatic and relax the

He did not say when the IMF would resume its aid, which was suspended in February because of Indnnesia's slow implementation of reforms.

But be said be understood that the aid was preently needed. "With the economy deteriorating," he said, "every week delayed will make

minister of cooperatives and small and medium enterprises, proposed the creation of a multimillion-dollar fund to combat food shortages by easing credits and strengthening the collapsing food-distribution network.

oesses.

In its last meeting, in April, Indonesia and the IMF agreed on a strict timetable over the coming months for implementation of economic reforms that included cuts in government subsidies for food and fuel, an end to monopolies and cartels and a revision of restrictive trade practices.

"Deadlines are never absolutely firm," Mr. Neiss said, "They are always adjusted given evolving circumstances and new possibilities." He did not say whether new deadlines had been agreed upon.

Economists bere say new assessments have driven private projections of the inflation rate this year to as high as 47 percent and projections of unemployment to as much as 20 percent, especially with food shortages increasing under the pressure of a debilitating drought and costly imports.

## **Net Providers** In Germany **Decry Ruling**

BONN - Germany's leading Internet service providers said the conviction of a former CompuServe executive last week threatened their continued operation in Germany.

Germany.net and Deutsche Telekom AG's T-Online as well as CompuServe Deutschland and its parent company, America Online Inc., said in a joint news release Saturday that the ruling was a legal setback that bad created confusion over their legal liabilities.

A Munich court gave Felix Somm, the former bead of CompuServe Deutschland a two-year suspended sentence and fined him 100,000 Deutsche marks (\$56,100) for failing to block Internet access to child pornograpby via the service

provider. Even the prosecutors in the case had called for Mr. Somm's acquittal, as the federal legislature passed a multimedia law after the charges were brought against him. The new law does not hold service providers responsible for content they do not

Mr. Somm plans to appeal.

The four Internet service providers said the decision "puts in question the decision of whether to operate an on-line service in Germany or to provide access to the

They said providers who create only technical access to the Internet must not be held responsible for illegal content. Otherwise, they said, growth in the industry will be cboked off, with serious con-sequences for Germany.

The service providers con-demned the dissemination of illegal material via the Internet and said they supported efforts to apprehend

those who post it.
But they said the Somm conviction made Internet service pro-viders into scapegoats and made no constructive contribution toward eliminating the problem.

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#### LOANS: U.S. Pledges to Support Bailout for Russian Economy

#### Continued from Page 1

some of the same concerns in Russia. But this time the main motivations are political: If Russia were forced to devalue the ruble, it would strike a buge blow to the stability of the govern-

ment.
The Indonesians, the Koreans and the Thais weren't sitting on tens of thousands of nuclear weapons." one State Department official said late last week as rumors of a Russian bailout plan were circulating. 'The disaster here would be an economic meltdown that aided Yeltsin's enemies on the right."

#### Kiriyenko Tries to Ease Fears

David Hoffman of The Washington Post reported from Moscow: The White House announcement came as Russian officials attempted to

reassure the jittery markets in Moscow ahead of the resumption of trading Mon-

Prime Minister Sergei Kiriyenko

Continued from Page 1

accelerate nationwide last fall, when the

government pledged to wring out state-

owned industries once and for all, a

steady propaganda campaign has urged

former factory workers who cannot cre-

are their own work, like Mr. Fu, to swallow their pride and move into "ser-

vice" jobs. In practice, that usually

means relatively menial positions that have often been filled by poor migrants

from the countryside.

registered city residents.

المراجع المراجع

Beijing and other large cities around the country have even issued new regulations banning rural migrants from all but the most laborious occupations, beginn to force a charge of them to return

hoping to force a share of them to return

home and increase opportunities for

Some former state workers are, of course, landing new jobs in the ex-

panding national economy. But many

jobs in the service sector that is sup-

posed to absorb the unemployed involve

onerous work and wages that appall

one-time factory workers used to re-ceiving more like \$80 to \$100 a month

plus housing, health and pension ben-efits — and, perhaps more important,

thought of themselves as proud stan-

popular evening television news magazine show attempting to soothe

Mr. Kiriyenko acknowledged that his new government was facing a "crisis of confidence." He said, "The fact that spending has not been radically restructured over a long period of time - we have continued to spend more than we earned; the fact that this deficit was covered with new debt every time - all this started to approach the danger

On Friday, Moody's Investors Service downgraded Russian foreign debt to a rating of B1 from Ba3. The agency also downgraded the country's ceiling for foreign-currency bank deposits from to B2 from B1. The moves came late in the trading day in Moscow, and the market fell slightly on the news.

Andrei Piontkowsky, a political analyst bere who has been a sharp critic of Russia's tycoons, said the White House

**WORKER:** Advent of New Go-Getters in China as Layoffs Rise

kinds of jobs."

4.000 workers.

cial markets on Monday morning.

'It will reassure the market," he said. "Tomorrow is very important. There was stabilization on Friday, but worries that the crisis will deepen this by Friday evening, Moody's down-graded Everyone is concerned about Monday's reaction. This is a reassuring

Mr. Piontkowsky noted that Mr. Kir-iyenko had said Russia did not yet need an emergency loan from the IMF, but be added that the White House statement

"is very important psychologically."
Reuters reported, meanwhile, that
Economics Minister Yakov Urinson
said on Sunday that the central bank would soon start reducing its refinanc-ing rate, which tripled to 150 percent to shore up the ruble in the middle of a financial crisis last week.

The refinancing rate will start moving down this week or the next week for sure. Financial markets will get back to normal then," Mr. Urinson told staterun RTR television.

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## FOR INVESTMENT INFORMATION Read THE MONEY REPORT

The August I Iron and Steel Works, where Mr. Fu worked, ceased oper-ations in early 1997, laying off its last

In January, when their promised monthly survival stipend was delayed,

bundreds of former workers blocked a

basy street in protest. The payments

resumed, a steady drain on public cof-

after the founding day of the People's

Now, the giant steelworks - named

every Saturday in the IHT. Herald Eribune

THE WORLD'S DAID' NEWSPAPER

up some kinds of jobs," Deputy Prime
Minister Wu Bangguo said in a recent
interview in Beijing. "We bave to readjust their mentality toward certain

dustrial bulks and crumbling aparament
blocks in which bundreds of former
workers continue to live for free.

One former steelworker, a man in his One former steelworker, a man in his early 40s, said be was willing to take any work but bad run up against a strong bias toward younger hires. He said his wife sold vegetables and made about \$36 a month. When that is added to his \$20 Yichang, a city of 1 million, is in a curious economic state: As the nearest city to the construction site of the giant

Three Gorges Dani, it is enjoying something of a boom, with new banks monthly stipend from the mill they are able to eat, be said, but he despaired of and government offices and apartment blocks rising. the \$120 they needed for school fees and The boom appears to be a thinly spread one, though, overlaying the rot of the state-owned industries that used to books for their son. Mr. Fu has supplemented his employment service with apartment listdominate Yichang. Many residents say they bave felt little direct benefit from the billions of dollars poured into the ings and a matchmaking service: hopeful men and women each pay him \$18 for a referral, and if the couple does not hit it off, they each get \$12 back. He says

be bas brought together 15 couples over the last year, though be is not sure if any actually got married. Mr. Fu said that overall be is clearing about \$120 a month, a bit more than be bad earned at the steel mill. His wife, who was also laid off from the mill, is

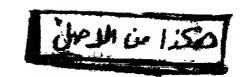
also making some extra money making and selling birthday cakes. Despite their success in private business, the two of them still receive the steel mill's \$20 monthly living stipend. dand-bearers of a socialist republic.

Liberation Army in 1927 — is an un'This is the superiority of social
with a hearty laugh.

Workers are not so willing to pick "This is the superiority of socialism."

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PAGE 22	INTERNATIONAL HERALD TRIBUNE, MONDAY, JUNE 1, 1998	L.doile!
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# Indonesia Economy Strands Astra on Rough Road Back to Profit

By Michael Richardson International Herald Tribun

JAKARTA - The smashed glass windows of the Toyota showroom are anot a good sign for business.

The damaged showroom is just below the headquarters of PT Astra International, Indonesia's largest maker of cars and motorcycles, which counts former President Suharto among its many shareholders.

Mobs who burned and looted for sevceral days in Jakarta recently, in a wave of fprotest that ended Mr. Suharto's 32-year rule, were responsible for the damage.

But two floors above the showroom, Theodore Rachmat. Astra International's president director, is more worried about another problem - the deepening recession in the world's fourth most populous country.

The company is the sole imponer, assembler and manufacturer of Toyota Motor Corp. vehicles and Honda Motor Co. motorcycles. It also has the Indonesian franchise for Bayerische Motoren Werke AG, PSA Peugeot Citroen SA, Daihatsu Motor Co., Nissan Motor Co. and Isuzu Motors Lid.

In 1997, Astra International accounled for about 50 percent of the 1.7 million motorbikes sold in Indonesia and about half of the 400,000 passenger yehicles. This year dealers say they will be doing well if they manage to sell 600,000 motorbikes and 75,000 cars. "The antomotive business has been

very hard hit, and for the next two or three years the outlook is bleak," Mr. Rachmat said, reflecting similar concerns of many executives, both local and foreign, about business prospects in general.

"It's no longer a matter of profits; it's a question of survival," Mr. Rachmat said. "The downturn has been so much worse that we expected."

When it was listed on the Jakarta Stock Exchange in 1990, Astra International was regarded as a blue-chip company. It was also a convenient proxy for many foreign investors who wanted to buy into Indonesia's growth, which for most of the past two decades averaged more than 6 percent a year after adjustment for inflation.

That growth created wealth that trickled down even into many farming villages. The affluent clite acquired an appetite for luxury cars and the emerg-ing middle class bought sedans and light commercial vehicles, while the lowermiddle class and the poor, including many living in rural areas, acquired But last year, economic growth

that engulfed East Asia starting in July. Inflation and interest rates skyrocketed, company and bank iodebtedness increased, unemployment rose sharply and disposable incomes and purchasing power of many Indonesians started to

slowed to 4 percent as the rupiah

plunged in value in the financial turmoil

In 1998, amid the social unrest and



A motorbike passing the boarded-up Toyota showroom Sunday. The Jakarta dealership was

political uncertainty, the pain across the country is even more acute. The economy is set to contract by at least 10 percent, and trade and commerce faces disruption because of a crisis in the banking system.

"If the economy can't get moving again," Mr. Rachmut said, "who will buy the cars and motorbikes?"

national reported a 1997 loss of 279 billion rupiah (\$24.2 million) on sales of just over 14 trillion rupiah - the first loss since its founding in 1957.

Like many other Indonesian conglomerates, Astra International, which has major interests in agribusiness. financial services. heavy equipment and mining as well as the automotive industry, expanded during the era of rapid growth by borrowing abroad at interest rates that were much lower than domestic ones.

But in the past 11 months, as the rupinh lost more than 70 percent of its value, the vandalized in riots that toppled the government. costs of repaying Astra international's \$1.6 billion in foreign debt soared, wiping out prospects for a profit in 1997 and casting

a cloud over its future. Astra International stock is down 76 percent since July, finishing Friday at

"The group is very highly leveraged to an uptum in the Indonesian economy," said Peter Arkell, head of equity

1,050 rupiah.

In April, Astra Inter- sales at Dresdner Kleinwort Benson Securities, "But it is the sort of stock that foreign investors will be happy to buy when they see signs of a recovery.

In a recent memo to clients, the Castle Group business consultancy said it expected the indonesian economy to grow about 2 percent in 1999, after shrinking 14 percent in 1998.

Steve Partono, head of Indonesian research for Goldman, Sachs & Co., said that Astra International had already cut costs by closing one of its two car assembly lines and planned to reduce debt by selling some businesses.

Mr. Rachmat said he expected asset sales to rise between \$100 million and \$150 million over the next few months but declined to say which parts of the conglomerate would be sold.

Even after such sales, he said, Astra International's foreign debt would need to be restructured to allow more time for

While the automotive side of the company's business, which accounted for more than two-thirds of the 1996 profit, is in temporary difficulty, he said, its palm oil production, through 65 percent-owned PT Astra Agro Lestari should make a profit of about 300 bil-lion rupiah in 1998.

\*Our decision to diversify into agri business is oow really starting to bear fruit," Mr. Rachmat said. "The profits from palm oil won't cover the group's expected losses this year, but it will certainly help reduce them.

### China Assails U.S. on WTO

Agence France-Presse

BELIING — Washington must bear its share of responsibility for the "cruel refusal" of the World Trade Organization lo admit China, official Chinese media reported

Beijing's bid to join the WTO will dominate the summit meeting between the United States and

China this month, the reports said.

The United States must shoulder part of the blame for the organization's cruel refusal over the past 10 years to China's repeated requests for membership, Zhou Shijian, vice chairman of the China Chamber of Commerce, told

the China Daily Business Weekly. The swelling U.S. trade deficit with China — a bone of contention between the two countries - could be vastly reduced if the United States would ease restrictions on high-technology exports to China,

Mr. Zhou said. "Without trade restrictions, U.S. companies might have obtained more marker share in the emerging

Chinese market," he said.
The official weekly said that Washington bad exaggerated its trade deficit with China by underestimating its exports to China, while inflating imports.

## Seoul's Advantage In Trade Slips in May

Compiled by Clar Staff From Property

SEOUL - Prices for terials and equipment. South Korean exported goods

The Bank of Korea said its basket of prices for exported goods fell 2.6 percent in May from April, while imported goods slid 1.6 percent.

The drop in export prices came as dwindling demand in Asia pressured South Korean exporters to lower export prices. The strengthening won also affected prices in the local currency, the central bank said.

"Our exports were supported by the price competitiveness that resulted from the won's sharp depreciation last past few weeks. "But the weakening yen will eventually erase the advan-

week al 138.85 yen, after touching 139.20, a seven-

won reached late last year. Dynamic random-access years. memory chips, the country's biggest single export item, led manufactured goods, falling 17 percent, followed by electricity transformers, off 11.4 percent, and computer monitors, down 9.1 percent.

prices of imported raw ma-

Imported items dropped faster in the local dropped this month included currency than those of im- used steel, down 18.8 percent, ports in May, the central bank machinery components, off said Sunday, signaling that 2.9 percent, and computer cir-trade profitability is deterio- cuit boards, which fell 6.2 percent.

The central bank said effects from recent rioting in Indonesia would have a limited impact on South Korea's imports.

The central bank said that since January local-currency prices of exported goods bave dropped 21 percent and imported goods have fallen 16 percent. South Korea's foreign-currency liquidity problems widely affect prices.

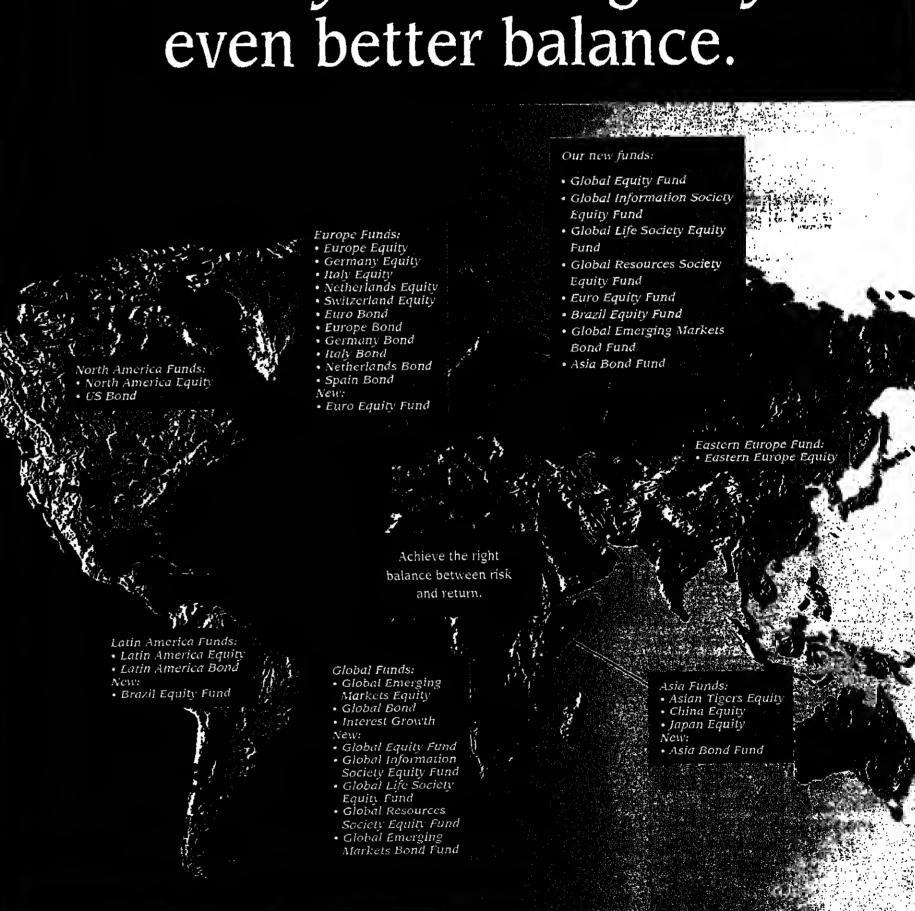
The export figures are just part of a raft of gloomy economic data released over the

year, said Han Sang Chun of ... Industrial production and Daewoo Research Institute. consumption fell by more than 10 percent in April from April 1997, the second straight month of decline, and facto-The dollar finished last ries were operating alless than

South Korea's gross doyear high. The dollar also rose mestic product contracted 3.8 Friday to 1,406 won but was percent year-on-year in the well off a high of nearly 2,000 first quarter of this year, the first quarter of this year, the first decline in more than 17

"Indicators are signaling only one thing: that the situthe drop in export prices for anon will be worse in the second quarter than in the first quarter, and then further worsen the next quarter," said an economist at a govors, down 9.1 percent. ernment-backed research
The central bank said the agency who asked not to be strengthening won also cut named. (Bloomberg, Reuters)

# Eight new additions to our family of funds give you even better balance.



SHORT COVER

#### U.S. Backs Bertelsmann Acquisition

BONN (AFP) — Bertelsmann AG said over the weekend that the U.S. Federal Trade Commission had approved its purchase of Random House from Advance Publications Inc. Bertelsmann will combine Random House with another U.S. subsidiary, Bantam Doubleday Bell.

## Malaysian Airline Delays Jet Delivery

KUALA LUMPUR (Bloomberg) — Malaysian Airline System Bhd., citing the need to avoid excess capacity due to the Asian financial crisis, said over the weekend that it had delayed by as much as three years the delivery of most of the eight Boeing Co. 777 and six 747-400s aircraft it had been scheduled to receive by 2001.

#### Marathon Oil Expands in Canada

HOUSTON (Bloomberg) — Marathon Oil Co. has agreed to buy Tarragon Oil & Gas Ltd., an oil and natural gas exploration company based in Calgary, Alberta, for \$1.1

billion in cash, stock and assumed debt.

Marathon, a unit of USX-Marathon Group, said late Friday that it would pay \$760 million in cash and stock and assume \$340 million in debt. Sharebolders of Tarragon can receive \$340 million in debt. either 14.25 Canadian dollars (\$9.78) in cash per share or the equivalent in stock in a Marathon Canadian subsidiary.

## Samsonite Sets \$5.5 Million Charge

DENVER (Bloomberg) - Samsonile Corp. will take a \$5.5 million pretax charge against first-quarter results for job cuts while increasing advertising amid declining sales and profit.

The luggage manufacturer also said that sales from its Chinese joint venture were not covering costs and that it might

#### sell or write off its stake Philips Electronics Seeks Acquisitions

AMSTERDAM (Reuters) - The chairman of Philips Electronics NV, Cor Boonstra, said on Dutch television that the company would start to look for acquisition opportunities. "There are no talks yet," Mr. Boonstra said. Philips agreed tast month to sell its 75 percent stake in PolyGram NV to Seagram Co. for \$10.6 billion in cash and stock.

# Trump Buys GM Building in N.Y.

NEW YORK (NYT) - In a deal reminiscent of the 1980s, Donald Trump and the Indianapolis insurer Conseco Inc. have paid \$800 million for the General Motors Building. Find the Son million for the General Motors Building. Known as one of Manhattan's trophy properties, the 50-story midtown building fills an entire city block across Fifth Avenue from Central Deck.

Avenue from Central Park.
"It's a terrific asset," Mr. Trump said late Saturday. "It's probably the greatest real estate asset in the world.

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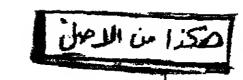
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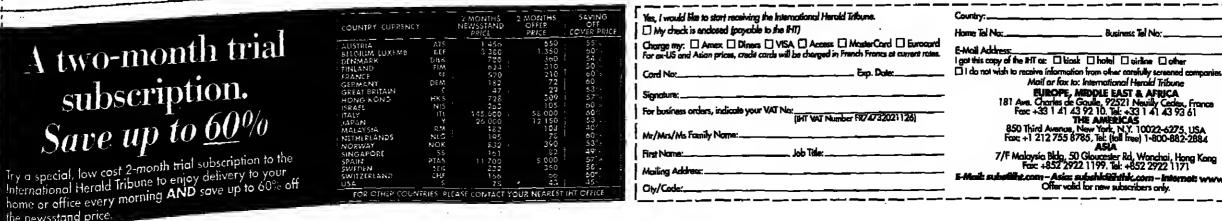
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## THE WORLD'S DAILY NEWSPAPER





# Injuries Take Their Toll On World Cup Hopefuls

Peruzzi of Italy Is Sidelined; Romario May Not Play

Compiled by Our Staff From Despoiches

COVERCIANO, Italy — Angelo Peruzzi, Italy's first-string goalkeeper, will miss the World Cup finals after pulling a moscle in his left calf during a training session Sunday.

"I'm very upset," Peruzzi said after his injury at a training camp near Florence. "Now I'll have to sweat another four years to go to

the pext World Cup. The Juventus goalkeeper fell to the ground in pain after jumping for a ball in a morning

#### SOCCER ROUNDUP

practice session. Team doctors and the reserve goalkeeper Gianluca Pagliuca rushed to his

"lt's a serious injury, we don't think 'there's anything we can do about it," said

Antooello Valeotini, a team spokesman. Pagliuca will become the team's first-string goalkeeper and Peruzzi's place on the roster will be taken Francesco Toldo of Fioreptina, Valentini said. "Pagliuca is a great goal-keeper, one of the best in the world." Peruzzi said. "He's sure to do great in the World

Peruzzi did not play in the 1994 World Cup finals but has been a first-team player for Italy for the last three sessions, winning 22 caps. He has also been a key figure no the Juventus team that won the last two Serie A otles and reached consecutive European Cup finals.

Following is an injury roundop concerning other star players who are struggling to be ready for the start of the World Cup in France

on June 10: · Romario, the Brazil striker, has been unable to train since joining his teammates last month. He is fighong to overcome a calf against Scotland. "I have faith in God that I ingtop.

will be available for the coach to pick me if he wants," Romario said Sunday. "I can't guarantee that I will be one 100 percept match fit

by then, but I will be fit enough to play." The Brazilian media has reported that the team's assistant coach, Zico, said Romario would be dropped if he could oot train normally hy Tuesday, FIFA's deadline for squad

changes.
"Whoever says this is lying and is being dishopest." Romario said. "In any case, I'm virtually cured. I'm not feeling pain any more. By Wednesday or Thursday, I should be able

to train normally again." • Roberto Baggio is doubtful for Italy's warm-up against Sweden on Tuesday. And Alessandro Del Piero, oursing a thigh strain,

will probably miss the match. Dennis Bergkamp, who has missed all three of the Netherlands' warm-up games because of a persistent hamstring injury, has not played a competitive game since April 29. "I feel he should be back but, at the moment, pothing is certain," said Guus Hiddink, the

Dutch coach. Andoni Zuhizarreta, Spain's veteran goalkeeper, strained a muscle in his left leg in training Friday and will miss the final warm-

up match against Northern Ireland on Wednesday. In games played Saturday and Sunday: Chile 3. Tunisia 2 Chile scored twice in the last seven minutes Sunday to beat a fellow World Cup qualifier, Tunisia, in Montelimar

Ivan Zamorano and Marcelo Salas, the two strikers who will lead Chile's attack at the World Cup, each scored a goal.

United States 0, Scotland 0 Scotland and the United States drew Saturday in a warm-up injury before Brazil opens the World Cop match played in hot, muggy weather in Wash-



straight shotout hot again cooldn't score. Roy Wegerle hit the crossbar in the 20th minute and Eric Wynalda curled B shot just wide of the upper left corner in the 73rd. That was about the exteot of the U.S. threats against the

wilting Scots. Kasey Keller, the U.S. goalie, made three impressive saves in the second half, the best of them to stop a breakaway by Kevin Gal-

On Friday, the U.S. Soccer Federation's Andreas Moeller scored Germany's third. president, Alan Rothenberg, said: "Realist-

Ivan Zamorano of Chile, right, fighting for the ball with Tunisia's Ferid Chouchane.

The United States recorded its fourth ically, I think we will not make it out of the first round" of the World Cup. Steve Sampson, the U.S. coach, said: "On paper, the eptire world would agree with him, but that's only paper. I think this U.S. team can surprise some people. Our best soccer is

yet to come." Germany 3, Colombia 1 Germany scored an impressive victory over Colombia in Frankfurt on Saturday with goals by Oliver Bierhoff and Andreas Moeller. Bierhoff scored two.

(AFP, AP, Reuters, WP, NYT)

# Dream Well Wins \* French Derby

CHANTILLY, France -Dream Well, ridden hy Cash

Asmussen and trained by Pascal Bary, hurst out of the pack Sunday to win Prix du Jockey Club — the French Derby. The winner, s 7-1 bet, finshed edged out stablemate

Croco Ronge. Asmussen, an American, pushed Dream Well as he hit the straight and went past Croco Rouge to win by a neck. Sestino was three

lengths back in third. It was the third victory in the race for Asmussen. It was also the third victory for Bary,

who trained the winners in 1994 and 1996. Dream Well is owned by the Niarchos family, which owned the 1993 winner, Hernando.

Sabre: Love

Confirmation 1 - 12

Site Capains

Saratoga Springs, the favorite, failed to impress but may still run in next week's English Derhy said his train-er, Aidan O'Brien.

Almutawakel, a 6-1 chance trained at the Godolphin stable in England and ridden by Frankie Dettori, won the Prix Jean Prat in a desperately close finish. In Rome, Central Park completed a double for Godolphin by winning the Italian Derby. (AFP, Reuters)

## Nuclear Tests Threaten Field Hockey Event

wide.

Chile 3, Tuniski 2 Georgio I, Russio ) Germany 3, Colombi

ermany 3, Calambia 1 nited States 0, Scotland 0

slavia 3. Nigeria 0 KRIG HASSAN IT CO

ium O. England 0

Morocco won 6-5 on penalties

UKRAINS CUP FINAL

ALBANIAN FIRST DIVISIO

44: Flamurtari Viore 43: Shalponia Gjirokaster 40: Sapati Librozhd 35: Albpetrol Palos 19.

MAJOR LEAGUE SOCCER

25 points; Columbus 21; NY-NJ 15; Mkomi 11;

New England 10: Tampa Bay 6. Wastern Coa-

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BALTIMORE— Signed LHP Mott Riley.Put ight-hander Scott Komienleckt on 15-day

TROIT—Put LHP Roberto Duran on 15-disabled list. Recalled RHP Dean Crow

disabled list retroactive to May 23.

GETROIT-Put LHP Rob

Besa Kovoje 2, Tornom Berat 1 1
Laci 4, Apolonia Fier 0
Teuta Darres 1, Skenderbeu Korce 1
Partizan 1 Tranza 3, Bylis Bollish 1
Sopofi Librazhd 5, Shkumbini Peqin 6
Vilaznia Shkoder 1, Dinamo Tirono 1
Elbesen 1, Elonambini Vilaz 0

Belgium won 4-3 an p Aarocco 2, France 2

Dynamo Kiev 2 CSKA 1

Fibasani 1, Flam

Chicago 2, Los Angeles 1

UTRECHT, Netherlands — Juan Angel Calzado, president of the 3-2. field hockey's ruling body. said Sunday that he was would not be able to play

host to the men's Champions Trophy in October. Calzado, in Utrecht for the field hockey world cup, for the Dutch in the 62d said that the nuclear tests, minute. The Dutch tore into followed by sanctions and a attack for the last eight

state of emergency, had giv-minotes but Jeanette Lewin put the best chance en him cause for concern.

cup final Sunday, Australia, the defending champion, beat the Netherlands,

Dubbledam-Kuiper put the Netherlands worried that Pakistan ahead after 46 seconds. Alysoo Annan, Julie Towers and Juliet Haslam scored to put Australia, 3-1, before Jolie Deiters scored

(AFP, Reuters)

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#### (6), J. Abbott (4), Detroit, Bartee (2), Easley 2 New York BASEBALL Texas 000 020 106—3 8 0 Balfamore 401 000 10a—4 12 0 Sele, Gunderson (4), Crabiree (7), Boiles 18) and I. Rodriguez D\_Johns, Te.Mathews MAJOR LEAGUE STANDINGS 18) and I. Rodriguez D.Johns, Te.Mathews (6), A. Benitez I71 and Halles, Webster IS, W—D. Johns, 1-1. L.—Sele, 8-3, Se—A. Benitez (7), HRs—Bultimora, Baires (4), Surtholf (7), Seattle 020 010 003—4 13 2 Tampa Bay 092 000 000—2 3 1 R.Johnson, Timim (9) and D. Wilson; Saunders, A. Lopez (8), Medr (9) and DiFelice, W—R. Jahnson, 5-3, L.—Saunders, 1-5, Apalteim 000 200 100—3 11 0

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23 21 .51 30 24 .556 28 25 .528 27 25 .519 'San Diega 571

FRIDAY LINESCORES 200 002 021—7 10 0 002 001 000—3 5 0

Colon and S. Alomar: Clemers, Quantil (18) and Fletcher, K.L.B.rown (8). W—Colon, 4-3. L—Clemers, 5-6. HR3—Cloveland, Justice (10). Thome (11), Da.Bell (3). Calcago 140 020 000—7 14 1 (Defroit 101 000 247—8 6 6 Bere, C. Casillio (8). Simos (8) and Kreuter Sager, Worrell (4), Crow | 71, To. Jones, (9) and Baka. W—Crow 1-0. L—C. Castillo 1-4. Se—Ta. Jones (9). HRs—Checago, Durham

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and Hotleberg: Cone. Erdos 18), Stanton (9)
and Ggardi. W—Cone. 7-1. L—Lowe. 0-1. HRs—Boston, Jefferson 2 (5).

New York 910 032 122—11 16 0
Philadelphia 900 000 000 05 2
C.Reed-Hodek (6) and Piazzo. A. Castilio
(8); Beach. Whileside (6). Dodd (9) and
Lieberthal. W.—R. Reed, 6-2. L.—Beech. 1-3.
HRS.—New York. Alfonzo (3). Huskey (5).
Houston 222 900 010—7 14 1
Colorado 000 100 050—6 8 0
Hampfon. D. Henry (8), B. Wogner (9) and
Ausmuss Astacio. Veres (3), De.Jean (6).
Dipota (9) and Manwaring, W.—Hampfon 72. L.—Astacio 4-7. Sv.—B. Wagner (1)-10.
HRS.—Houston, Splers 11). Colorado, L.
Walker (6). Castilio (18).
St. Louis 900 000 902—8 8 0
San Diego 900 900 902—8 8 0
San Diego 900 900 900—3 6 1
Pelkovsek, Bothenfield (9), Peinter (9) and
Pagnozzi, J. Hamilton, Boetaringer 18), Miceli
(9) and C. Hermandez, W.—Pelkovsek, 3-1.
L.—J. Hamilton, 3-6. HRS.—S1. Louis,
McGwire (26), San Diego, G. Vaughn (17).
Artzona 900 190—1 4 0
San Francisca 200 010 902—3 6 1
Bloir, R. Spiringer (8) and Silmett Eskes,
Nen (9) and Mayne, W.—Estes 4-5, L.—Blait
2-4, Sv.—Nen (13). HRS.—Arizona, J. Bed (7).
San Francisca, Bonds 114).
Linciant 191 900 802 194—8 15 2
Los Angeles 802 900 290 900—4 9 8
12 tamings
Tamka, Graves (7), Show (9), Belboda (12)

1-5.
Apatheim 000 200 100—3 11 0
Munesota 000 000 010—1 5 1
C.Finley. Percival (9) and Wallseck
Howkins, Carrosco 77., Guerdade (8) and
Steinbach, W—C. Finley, 5-2, L.—Hawkins, 35. Sv—Percival 1131. HR—Anaheim,
Fermands (10).

12 Intrings
Turnko, Graves (7), Show (9), Beltada (12)
and Toubensee Park, Radinsky (9), D. Reyes
(10) and C. Johnson. W—Show 1-2, L—D.
Reyes 0-1, HRs—Cincinnotk, B. Larkin (4),
Los Angeles, Mondesi (13), C.Johnson (9).

SATURDAY LINESCORES AMERICAN LEAGUE 000 101 000-2 6 1 100 002 10x-4 6 0 on (6), Plunk |7), Villone

(7), Mesa (7) and Barders, S. Alomar (9); W.Williams, Plesac (7), Quantrill (8), R.Myers (9) and K. Brown, W.—W. Williams, 5-2. L.—Gooden, 0-2. Sy.—R. Myers (13). HRz.—Clevelund, Thome (12), Toronta, S. Green (10). Chicago 000 800 000—0 7 1 Detroit 010 021 20—7 1 Green (10).

Chicago 000 860 000—0 7 1

Detreit 010 021 20x—6 12 0

Noverru, Fordham (7) and O'Brier:

Machler and Bako. W—Mochler, 5-4.

L—Noverru, 4-6. HRs—Detreit, Ta.Clark (6).

L Gonzalez (S).
Seartile 209 000 000—2 4 1
Tampa Bay 300 020 00x—5 0 1
Cloude, Spoljaric 13), Slocumb (7) and
Marzana: D.Springer, Aldred (6), Yan (6),
Ruebel (8), R. Hermandez (9) and DIFelice.
W—D. Springer, 2-8. L.—Cloude, 3-3. Sw—R.
Hermandez (10).

914 000 023-10 12 0 recas 914 000 0223—10 12 500ffmore 900 402 602—8 11 0 Helling. Balles 16), X. Hermandez (6), Sunderson (8), O-Patteson (8), Wetteland 9) and 1. Radinguez: Mumaz, Rhodos (4), Ponson (8), Chariton (8), Te\_Mathews (9) and Holes, Webster (7). W—X. Hernandez, 2-1. L.—Parson. 6-2. Sv—Wetteland (1/4). HRs—Texas, Ju.Ganzalez 2 (15), Stevens (12). Ballimore, R. Palmeiro (12), R.Alomar

Contioned 001 e01 e26--18 14 0
Conses City 001 e01 260--4 10 4
Haynes, Groom (7), Taylor 18) and Hinch,
Mackeniane (9): Rusch, Service (8), Haney (B), Pichardo (9), Whisenant (9), Bevil (9) and Fasana, W.—Taytor, 1-5. L.—Picharda, 2-3. HRs.—Cakland, Blowers 2 (4), Kansas City, Palmer (12), Dye (2), Fasana (1). Anabeim 000 100 000—1 8 0
Minnesota 321 000 203—8 12 0
K.Hill, DeLucia (3), Haltz (7), P., Hanis (7)
and Walbeck Rodke, Swindell (8), Naully (9)
ond Steinbach. W—Radke, 7-3. 1.—K. Hill, 7-4.
HRs—Anabeim G, Anderson (5).
Minnesota, Steinbach (3),

Minnesota, Steinbach (3).

Boston 900 200 100—3 2 1

New York 901 000 010—2 7 0

Soberhagen, Corsl (7), Gordon (8) and
Hothebery; Irabu, Lloyd (8), Nelson (9) and
Posada, W—Soberhagen, 6-3, L—Irabu, 4-1.

Sw—Gordon (19), HR—Baston, M. Vaughn (15).

Affanta 010 390 044—8 11 1
Chicogo 330 044—8 11 1
Chicogo 330 000—9 15 0
Milwood, Embree (4), Seanez (6), Wohlers
18) and J. Lopez, Edd,Perez (3), Trochset,
Attilholmod (7), Beck (9), B. Patierson (9) and
S. Marlinez, W—Trochset, 6-1, L—Milwood,
7-2, Sy—B. Patierson (1), HRS—Chicogo,
Mieske (1), H. Rodriguez (11).
Arizona 900 100 000—1 2 1
Son Francisco 900 002 11x—4 10 1
Doul, Sodowsky (6), F. Rodriguez (8) and
Edbregas, Sinntett (7); Hersthisec R. Rodriguez
(7), S. Reed (8), Nen (9) and B.
Johnson. W—Hersthiser, S-I. L—Doul, 7-3.
Sy—Nen (14).

Sv—Nen (14). Houston Colorado 106 002 000—3 8 0 230 100 00x—6 10 0 Miller (3), Sconlon (6), Actionics 1. Miller (3), Scanlon (6), Magnante (7) and Austrus; Thomson McElroy (7), Leskaric (8), Dipota (9) and Monwaring, W—Thomson, 4-5, L—Schourek, 2-3, Sv—Dipota (72), HRs—Houston, Bagwell (7), Colorado, L. Wafter (7). 093 300 100-7 12 2 100 000 002-3 9 1

Harnisch, Sullivan (8) and Taybensee; Nomo, Weaver (4), Bruske (6) and Prince. W—Harnisch, 5-1. L—Nomo, 2-7. HR.—Cincinnali. D.Young (6).
New York 100 103 001—6 9 0
Philodelphia 001 002 810—4 7 0
A.Leiter, Rojos (8), McMichael (8), J.

ALLeter, Royal toj, McArcharder 103, J. Fronco (9) and Piazza T.Green, Spradlin (8) and Lieberthol. W.-A. Letter, 5-3. L.-T. Green, 3-4. SV--J. Franco (11). HRS-New York, Gilkey (2), Boerga (5), Huskey (6). Pulladelphia, S. Ralen (10), Lieberthal (6). Moore, Bennett (6), M. Moddux (6). Hermanson (7), Urbing (9) and Widger: Silva, Dessens (6), Loiselle (7), Christiansen SRVa, Dessens (6), Loiselle (7), Christiansen (7) and Kendafi. W.—Christiansen. 1-1. L.—Urbina. 3-2. HRs.—Montrept, Fullmer (3).

Pitisburgh. Ma.Martinez (2).
Florida 020 000 020—4 6
Mitwasiere 001 230 40x—12 16 Fantenat, Darensbourg (4), Henriquez (5), Olalo (6), A. Larkin (7), F. Heredia (7) and Zaun: Eldred, A. Reyes (6), D. Jones (8) and Matheny, W.—Eldred, 1-4, L.—Fontenot, 0-2. HRs—Florido, Zaun 12). Allwaukee.

Dr.Juckson (1). 101 000 000-2 9 Painter (8), Brantley (9) and Pagnozzi: As and G. Myers. W.—Ashby 6-4. L.—Brantley 6-1. HR—St. Louis. McGwire (27).

## JAPANESE LEAGUES

CENTRAL LEAGUE W L T Pct 25 19 0 568 22 18 0 550 23 20 0 535 24 21 0 533 18 24 0 42 16 26 0 381 PACTHC LAGGED 5 24 19 0 558 T Pct 0 -568 0 -550

SUNDAY RESULTS CENTRAL LEAGUE Chanichi 4 Yokohama 3

#### BASKETBALL **NBA PLAYOFFS**

24 22 23 20— 89 24 25 21 22— 92 C: Jordon 12-23 10-11 35, Pippen 6-18 6-19; I: Smits I1-12 3-4 25, D.Dovis 7-9 5-10 19 Rebounds—Chicago 50 | Rodman 12), Indiana 48 | D.Davis 8), Assists—Chicago 9

VARIOUS SITES, GERMANY

FINAL STAN Cuba 5: Germany 4: Congo 3. GROUP a FINAL STANDINGS: Bruzil 6 po skia 5; Hungary 4; South Korea 3.

Russia 61, Lithuania 52 Spain 97, Japan 58 Lithuania 72, China 70 artonia /2 Japan 76 STANDINGS: Russia 10 points; U. S. 8: Ipain 7; Lithuania 7, Japan 7; China 6. IN BERLIN, GERMANY

Brazil 77, Germany 73 a 92. Hur Cuba 91, Slavalu 81

SYANDINGS: Australia 10: Brazil 10: Cubo

#### ICEHOCKEY NHL PLAYOFFS

WESTERN CONFERENCE FINAL BEST-OF-7 FRIDAY RESELT

Detroit 2 2 1—5 1st Period: D-Gilchrist 2 (Yzerman, Lidstrom) 2 D-Lidstrom 4 (Ladonov, Murphy) 1pp). 2d Period: D-Lidstrom 5 (Murphy) 4 D-Mccoun 2 (Holmstrom, Lorid imen 2, Td Period: D-Lehrinen 3 (Addamo) 7, D-, Modamo 4 (Langenbrunner, Lehrinen) 8, Detroi, Lapointe 7 (Karlov) Shots on goal: D-13-11-10—34. D- 7-3-5—20. Goalles: D-

Detroit loods series 2-1. **EASTERN CONFERENCE FINAL** 

1st Period: None. 2d Period: None. 3d Period: Washington Eerube 1 (Housley, Humer) 2 W-Janesu S (Octes) Ish). Shels on godt: Washington 4-9-7—19. B- 9-11-10—30. Godies: W. Kolzig. B-Hasek

#### CRICKET

GLOUCESTERSHIRE VS. S. AFRICA FOUR DAY MATCH, THIRD DAY SUNDAY IN BRISTOL, ENGLAND Buth Africa: 416-8 declared and 200-3

on leads series 3-1.

Gloucestershire: 403-9 declared SEI LANKA VS. NEW ZEALAND FIRST TEST, FIFTH DAY SUNDAY IN COLOMBO, SRI LANKA New Zeolond: 305 and 444-6 declared Sri Lanka: 265 and 297 Zealand won by 167.

INDIA VS. KENYA SUNDAY IN CALCUTTA, INDIA

## CYCLING

GIRO D'ITALIA

Plancavalia:

1. Marca Pantani, Italy, Mercatone Una, 4 hours, 22 minutes, 11 seconds hours, 22 minutes, 11 seconds
2. Pavel Tankov, Russla, Mapel, at 13sec.
3. Alex Zulls, Switzerland, Festina, s.t.
4. Glaseppe Guertal, Haly, Team Polli, at 28
5. Andrea Noe, Italy, Asics, 1 minute, 51
6. Carlos Dominguez, Spain, Vfallcia, 2:02
7. Marco Veta, Italy, Mercarone Una, s.t.
8. Daniele De Pooli, Italy, Ros Mary, s.t.
9. Daniel Clavera, Sp., Vitalicia Seguras, s.t.
10. Riccardo Forcani, It., Mercarane Una, s.t.
Leading positions in 15th stage time that,
40 kilometers (25 miles) in and around

1. Zulle, 44 mirutes and 38 seconds

50 Coffee alternative

51 Alan Ladd

59 Cease-fire

Band-Aid

In the womeo's world

8. Oscar Camenzind Switz. Mapel, 2:32 9. Paolo Savaldelli, Italy, Sacca, 2:33 10. Artures Kusputis. Lith. Casina, 2:44 OVERALL: 1, Zulle 67 hours 45 minu and 49 seconds: 2. Tonkov at 2:02; 3. Panto 3:4R: 4. Guerini 4:21; 5. Noc. 4:34; 6. Bortoli

#### FIELD HOCKEY

WORLD CUP IN UTRECKT, NEYHERLANDS

Australia 3. Netherlands 2 Elbasani 1, Flamurtori Viore 0 Lushigo 1, SK Tirana Trana 0 Shqiponja Girokaster 2, Alipetrol Palus 1 Franal, STANDINGA: Vilaznia Shkoder 72 points: SK Tirana Tirana 6.5: Partizori T. 64: Shkumbal Penin 54: Tevita Durres 54: El-basani 52: Apolonio Fler 52: Lac 48: Lushoja 47: Tomori Beraf 47: Skenderbev Korce 46: Diagna T. 46: Bulle 18: Lushoja Figure 3. Germany: 4. Australia: 2. Neth-erlands: 3. Germany: 4. Argentina: 5. South Korea: 6. New Zeoland: 7. South Africa: 8. U.S.J

Spoin 3. Germ

#### FOOTBALL

**NFL Europe** W L T Pcl. PF PA 7 2 0 .778 161 122 6 3 0 .467 179 151 5 3 0 .625 136 136 4 4 0 .500 160 155 Amsterda Frankfurt Barcelona Scotland

## GOLF

Leading Snel scoret Sunday in 120 million von (\$875,000) Mitsubishi Galant et 6,682-

69-71-64-70-70-69-71-66-276 70-68-69-69-276 72-67-67-70-276 69-64-70-73-276 66-70-69-72--277

SUPER 12 FIMAL

TOUR MATCHES not 48, Boland, South Africa 39 land 42, Victoria, Australia, 13

lay disabled list. Recorded Kinst Design Con Tolledo, IL. NEW YORK—Signed OF Mike Venilo. TORONTO—Claimed LHP Ben VanRyn off walvers from San Olego Padres. Designated 18 Ryan Jones for assignment. NATIONAL LEAGUE COLORADO— Acquired LHP Tom Doyle for

from Duluffi-Superior, Northern League, for player to be named. HOUSTON—Put CF Richard Hidalga on 15-day disabled list. Recalled DF Ray Mont-gomery from New Orleans, PCL. NATIONAL FOOTBALL LEAGUE ATLANTA — Signed RB Kerl Oxendine to 2-

NEW ENGLAND— Terminated contract of RB Dave Meggett. M.Y.JETS— Signed WR Hason Graham and

BUFFALO Signed D Cory Sarich to multiyear contract.

N.V. ISLANGERS— Acquired C-LW Dmithl
Nabokov from Chicago for LW Jean-Pierre
Dumant and 1998 5th-round draft choice.

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#### **SPORTS**

# Seek Reduction Hasek Plays The Goat as Sabres Lose

Goal From Blue Line Gives Capitals Victory And a 3-1 Series Lead

> By Tarik El-Bashir New York Times Service

BUFFALO - Dominik Hasek has been known to win games all by himself. This time, he played a large role in

Hasek allowed Joe Juneau to score a shorthanded goal from 70 feet (21 meters) late in the game Saturday night to seal the Capitals' 2-0 victory in Game 4 of the Eastern Conference finals. Wash-

#### NHL PLAYOFFS

ington oow leads the best-of-seven series over Buffalo, 3-1.

The blame cannot be placed totally on Hasek, but Juneau's goal at 13 minutes 38 seconds of the third period, which 'grazed Hasek's glove oo its way into the goal, took the life out of Sahres and their crowd. Hasek has oot been playing his best hockey during these playoffs, but until Saturday night's hlunder, he had given the Sabres a chance to win every

"It was probably the fourth time in my life I've giveo up a goal from the blue line," Hasek said. "I would say, if I faced a thousand of those shots, oone of them would go into the goal, but this one went into the goal. It's disappoint-

ing, but sometimes it happens."

If it were any goalie but Hasek, it would oot he fair to say he has struggled in the series. But Hasek has not looked in the series. But Hasek has not looked covering nicely from his string of un-like the dominant goalie be was during Hasek-like performances.



The Buffalo Sabres' goalie, Dominik Hasek, wetching as Craig Berube's shot sails past him in the third period.

the regular season and in the

'It has been a very demanding seasoo oo him, very demanding,' said Lindy Ruff, the Buffalo coach. 'Mentally, he could be wearing a little hit. But he seemed very fresh to me this morning. It wasn't that he seemed down at all. His personality was very bulbly."

After being stunned twice in overtime in the last two games, the Sahres started as if they had no desire for another extra session. Buffalo set the game's tempo in the first two minutes — fast and hard. The Sabres delivered tough hits, took quality shots and played responsibly in front of Hasek, who seemed to be re-

The Sabres, however, had nothing to show for their efforts. Despite outshooting the Capitals, 20-12, in the first two periods, they were unable to put a single puck past the Washington goalie, Olaf Kolzig. For the game, Buffalo outshot Washingtoo, 30-19. Kolzig stopped

Kolzig was so good be even stopped shots he oever saw. In the second period, the Sabres' Roh Ray skated in alone and whipped a wrist shot through a screen. But the Capitals' goalie, playing several feet out of his crease, hlindly stopped the shot with his shoulder.

After playing two relatively conservative periods, Washington came out in the third playing with added intensity and quickly broke the scoreless tie.

Craig Beruhe's low, hard slap shot through traffic at 2:34 gave the Capitals a 1-0 lead. After Dale Hunter woo the face-off in the Buffalo zone, the puck was kicked hack to Phil Housely, who passed to Berube. His shot deflected off of Hasek's right pad oo the way in.

Juneau's goal gave the Capitals the 2-0 lead. After taking a pass at the red line, Juneau skated toward the boards and wound up 10 feet in froot of the Sahres'

The shot beat a stunned Hasek, who appeared not to bave been ready for it. The first goal lonked like he could have been screened on it, but the second ooe was just bizarre," said Ruff. "The game was right there for us, even at 1-0. We just didn't get the breaks."

# **Unfamiliar Territory** For the Bulls: Game 7

Pacers' Victory Creates 'Do or Die' Finale

By Thomas George

INDIANAPOLIS - Indiana's vicmry over Chicago that a forced a deciding game on Sunday night in the NBA Eastern Conference finals had even Michael Jordan struggling for per-

"Obviously, it's new," Jordan said, of having to play in a seventh game.

The two-time defending champioo Bulls, downed by the Pacers, 92-89, Friday night, have had their ring-be-jeweled hands full against a team

NBA PLAYOFFS

hungry for its first shot at an NBA title. The last time the Bulls faced a seventh game in a playoff series was in 1996, when the New York Knicks beat them in the second round while Michael Jordan was playing haseball.

With Jordan on the team, the Bulls haven't played in a seventh game since the second round of the 1992 playoffs, wheo they beat the Knicks and then went on to win the NBA champioo-

ship.
"We've just got to play like there's oo tomorrow, which it is," Jordan said.

Which is how Indiana played Friday night. The Pacers, with 25 points from their center, Rik Smits, woo oo the strength of an even first quarter, a 49-46 halftime edge and a free-for-all effort in the second half in which they used every ounce of energy to withstand the mighty

And it didn't hurt that Jordan Jordan, as he has in each of the Bulls' playoff games, led the team with 35 points, but he slipped and fell while driving to the basket in the game's closing seconds with the Bulls behind, 91-89. Jordan and the Bulls argued that he was tripped by Derrick McKey, but no foul was called.

"I actually thought I was tripped,"
Jordan said. "I had a clear path to the
basket, and all of a sudden I started

The Bulls' coach, Phil Jackson, who was fined for his criticism of the officiating in the Pacers' victory in Game 4, took issoe with the referees again. "It was ohviously a foul, and it wasn't called," he said.

McKey said he was also surprised no foul was called, though he said Jordan fell oo his own. "He was leaning a little bit more than he had to," McKey said. "I don't know what happened. Because it's him, I was waiting for a foul to be

Jacksoo also argued an illegal defense call against Scottie Pippen with 1 minute 27 seconds left and the Bulls leading by one. Reggie Miller hit the free throw to tie the game, 87-87. "You oever see a call at that point of a game," Jackson said.

Travis Best set the pace for the Pacers for most of the final 12 minutes and scored what turned out to be the deciding points, hitting a bank shot and two free throws.

Smits, who made I1-of-12 shots from the floor, was as hot as he had been cold earlier in the series. Miller, oo the other hand, missed 11 of 13 shots and made only three free throws.

"I didn't think we'd ever see the line we saw from Reggie Miller tonight and oot beat this team," Jacksoo said.

# McGwire Belts No. 27, but Padres Beat Cards

#### Mets Win 8th Straight as Leiter Shines; Gooden Strong in Losing Cause for Indians

SAN DIEGO - Mark league-leading 27th home run end of for St. Louis, but the Padres 1994. tied the game in the bottom of the eighth and woo it, 3-2, in the hottom of the ninth.

And De Beat

McGwire finished I-for-3 with a walk and is tied with Juan Gonzalez of Texas for the major league runs-batted-

in lead with 66. With two outs in the eighth, Ken Caminiti doobled in

In the first inning, Alan streak to lead the Brewers to Ashby, the San Diego starter, threw an 0-1 pitch down the middle of the plate and McGwire drove it into the scats in left-center field.

It was McGwire's 16th homer in May, breaking his own cluh record for bomers in a single month. He had 15 last September. McGwire has I1 homers in as many games, including a two-run shot in Friday night's 8-3 victory over the Padres.

McGwire has already broken the major-league record for most home runs by the end of May — Ken Grif-

end of June - Griffey's 32 in

Brian Jordan hit a run-scor-

BASEBALL ROUNDUP 2-0 lead. San Diego's Andy

Sheets bit a run-scoring single in the fifth, Steve Finley to tie the game. Milwankee, Cal Eldred ti-

> their fourth straight triumph. Eldred (1-4), who gave up two unearned runs on four hits in five-plus innings, was winless in three interleague starts last season and in his first 11

starts this year after the Brew-

ers switched leagues.

Mots 6, Phillies 4 In Philadelphia, Al Leiter struck out a season-high 10 batters and Carlos Baerga, Bernard Gilkey and Butch Hoskey homered as New York won its

er, Vladimir Guerrero, threw

eighth straight.

fey Jr.'s 24 in 1997 - and the ball away on Jasoo Keod- lowing one unearned run and oeeds just five more to claim all's bases-loaded single in two hits with six strikeouts McGwire hit his major the mark for most runs by the the ninth. The three-run play comeback.

The Pirates' rally overcame ing single for the Cardinals Brad Fullmer's grand slam with one out in the third for a and five RBIs for Montreal.

Cubs 9, Braves 8 In Chicago, Matt Mieske and Henry Rodriguez both homered as the Cubs hing on to beat At- run lead. lanta. The Braves lost their third straight game for the In first time this year.

The Braves scored four Quilvio Veras then drove in nally got his first victory over runs in the ninth inning and the winning run in the bottom a National League team, had the tying run at second base with one out before Bob snapping a six-game losing line into a dooble play for his first save. Rockies 6, Astros 3 In Den-

> ver, Larry Walker hit a tworun homer to support John Thomson's solid pitching, and Colorado snapped a three-game losing streak. Giants 4, Diamondbacks In San Francisco, Barry

> Bonds's run-scoring single brought in the go-ahead run in the sixth inning and Orel Hershiser won his fifth straight game for San Francisco.

and five walks.

In the American League: gers 10, Orioles 8 In Baltimore, Juan Gonzalez homered twice and Lee Stevens gave Texas the lead with a two-run shot in the elghth inning as the Rangers rallied after blowing a five-

Ivan Rodriguez led off the eighth with his third hit, a helmet look like a football single, and Stevens followed belmet - Nixou stole a base with a 415-toot (126-meter) blast over the right-field two innings as the Twins built

Patterson got Ryan Klesko to Toronto, Carlos Delgado spoiled a strong pitching performance by Dwight Gooden as the Blue Jays snapped Cleveland's four-game winaing streak. Woody Williams (6-2), the

Toronto starter, gave up only five hits, including Jim Thome's 12th homer, and struck out six. With the Indians up 2-1 in

the sixth, Gooden allowed two-out walks to Shawn Green and Jose Canseco before giving way to Alvin Mor-Pirates 8, Expos 7 In Pitts-burgh, Montreal's right field-his first three decisions of the After a double steal, Delgado season, went six innings, al- hit a two-run double to put the

Blue Jays up, 4-3. Gooden gave up three runs on just two hits, including a solo homer By Green.

Twins 8, Angels 1 In Minocapolis, Otis Nixoo ended a month-long stay on the disabled list with two stoleo bases and two runs to spark Minnesota. Wearing a face mask to protect his still-healing jaw

which made his batting and scored in each of the first a 6-0 lead Nixoo tonk a ball to the jaw

when he made a diving attempt on a line drive by Jim Edmoods in the eighth. He finished the inning hot theo was pulled for a pinch-hitter. Athletics 10, Royals 4 In

Kansas City, Mike Blowers drove in five runs with two late homers and Oakland scored six runs in the ninth inning. Blowers hit a two-run

homer off Scott Service in the eighth to tie the game at four before capping the big ninth with a three-run sbot off Matt Whisenant. Devil Rays 5, Mariners 2 In

St. Petershurg, Florida, Mike five innings to get his first



The Cardinals' Mark McGwire blasting his major league-leading 27th home run.

Kelly broke a 1-for-17 slump victory since April 4. with two singles and drove in three runs to lead Tampa Bay to victory over Seattle.

Dennis Springer (2-8) snapped an eight-game losing streak, allowing two hits in

Tigers 6, White Sox 0 In De-troit, Brian Moehler pitched Detroit's first shutout of the seasoo and Luis Gonzalez

Joe Randa drove in three inning single.

Kimera Bartee scored after each of his own two doubles. Damion Easley extended his hitting streak to 19 games, the and Tony Clark homered for best in the American League this season, with a second-

# A Tale of 2 Japanese Pitchers: Nomo Struggles While Irabu Hits His Stride

## At Dodger Stadium, Boos Replace Cheers

By Bill Plaschke Los Angeles Times

LOS ANGELES - Once, there were flashbulbs, hundreds of them, lighting the sky above Chavez Ravine with each dramatic windup. Once, the pitcher won an award

named for Jackie Robinson, joined a club that included Sandy Konfax and finished third in a popularity poll to the

Japanese prime minister.
Once, Nomomania applied to all those infamated with the Dodgers' dommating Japanese pitcher.
Now, the Dodgers are trying to trade

Nomo to the Seattle Mariners as part of a package for Randy Johnson. And on Saturday, a lovely spring afternoon was ruined by a former hero who may suddealy be in the autumn of his career. For an excruciating hour and 15 minutes at Dodger Stadium, Hideo Nomo was again more baffling to the

Dodgers than the other guys, allowing

the Cincinnati Reds six runs in less than four innings in a 7-3 loss. Nomo hasn't won a game in a month, the Dodgers have lost nine of his 12 starts and he appears unable to make it

When asked about future adjustments on Saturday, Nomo said through an interpreter: "I'm not going to do anything different.

The Reds hit the ball hard in every direction, then explained it with wide eyes and big smiles. "He's not throwing as hard as he did

last year," said their catcher, Eddie Taubensee. "You lay off his forkball, and just wait for his fastball." Said the Cincinnati outfielder Reggie Sanders: "I remember him throwing a lot harder. He has to adjust, but maybe

it's hard to relate that to him." With a fastball that has slowed after elbow surgery and a forkball that spoons, the 29-year-old pitcher has got-ten old, fast. In his first two seasons with the Dodgers, he was 29-17 with a 2.90 earned-run average. In the last two seasons, he has gone 16-19 with a 4.55

Maybe his arm is simply wearing down after throwing the difficult forkball for nine seasons, including five years in Japan. Maybe, while favoring the repaired elbow, be has developed a shoulder problem that he won't acknowledge. He wouldn't be the favoring the statement of the property of the statement of the s knowledge. He wouldn't be the first pitcher to hide something. Maybe it's all this trade talk that's

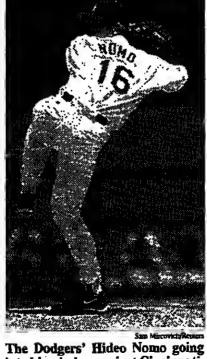
bothering him, which might have been killed Saturday when a Mariner scott was unfortunately sitting close enough to get blood on his shirt. Maybe Nomo, who has told teammates he wants to stay, was thinking about all of this. 'It has to affect you,' Gary Sheffield
'I've been through it. It's

something you never want to hear." In the old days, when Nomo was throwing a no-hitter in Colorado or striking out 17 Florida Marlins, hitters swung at that low forkball because they were afraid of his fastball. Today, it's just another low pitch.

The problem is that Nomo apparently doesn't think he has any troubles. When asked about his current 2-7 record, he said, "That's not something that bothers me at all.'

When asked about the boos, which began only 40 minutes into the game after he gave up a two-run double by the 216-hitting Ion Nunnally, he said, "That's something that can't he helped."

Obviously, part of what Nomo says is always lost in the translation. It is unfair



into his windup against Cincinnati.

to interpret his comments as meaning he doesn't care. It may still be asked, however, why he hasn't used some of his \$2.7-million annual salary for language lessons.

Nomo speaks some English with his teammates, but Dodger officials basically get what they can get. A smile, a shrug, a promise to keep working and absolutely uo answers. All

this on a day when having some would bave beeo nice. The Dodgers oeed somebody to shake them awake. Used to be, Nomo was that somebody.

## By Jack Curry New York Times Service

NEW YORK --- Hideki Irabu deserves an apology or two, or three. Just think about it. How unfair is it that Irabu's implosioo into ineptitude with the Yankees last seasoo was covered with much more zest and vigor than his explosion into ecstasy this season? Do the headline writers who treated

sessions in spring training like a World Series flop feel silly? They should. Irabu deserves apologies from some reporters, both the American and Japanese journalists who attacked him rather than analyzed him during a forgettable first season. He deserves apologies from some fans, who made his

one of Irahu's weak batting practice

entrance into games last September seem as if he were despised. He deserves apologies from George Stein-brenner, the Yankees' owner, who sometimes belittled his \$12.8 million investment "Everybody was saying \$12.8 million is a lot of money for a guy who can't pitch," said Don Nomura, Irabu's

ageot. "I'm saying that \$12.8 million is a steal for the Yankees right now." Two months ago, Nomura would never have dared to utter something so bold. Two months ago, Irabu was still trying to prove that he belonged in the major leagues. But, as Irabu lumbered to the mound against the Boston Red Sox on Saturday, he did so as the best pitcher

oo the best team in baseball. Irabu gave up only three hits in seven innings, but they included a two-run bomer by Mo Vaughn. Bret Saberhagen pitched strongly for 6% innings and the

It was Irabu's first loss of the season.

He is 4-1, and he could be 8-0, because he has not allowed more than two earned runs in seven starts and had one four-inning beauty wiped oot by rain.

After Much-Maligned First Season, Yanks' Fireballer Has 4-1 Mark

Before Saturday's game, he had a 1.13 earned-run average, the lowest in the majors. He had held hatters to a .174 average and a .114 mark with runners in scoring position. He shoold be favored to win the comeback player of the year He already has secured the award for

being most deserving of an apology.
"I'm surprised the earned-run average is that good," said the Yankees' manager, Joe Torre, who usually stopped short of maligning Irabu.
"There's a lot of things that surprised me about him.

Save the jokes about Irabu being

overweight, which he is. Save the re-

marks about Irabu being a two-pitch pitcher, which he is on a good day because he has often barreled by with just a fastball. Save the tales about him being cautious, which be is. What matters to the Yankees is that Irabu is a reliable pitcher who oo looger displays his emotions when he staggers. Irabu has tempered his temper, bonded with his pitching coach, Mel Stot-

mates because of his maturity, work ethic and bumility. You have to be comfortable enough with yourself to eveo allow yourself to be accepted by people," Paul O'Neill, the ontfielder, said. "It's not like he just

tlemyre, and is more accepted by team-

got here anymore. He's one of us." Irabu senses the acceptance and, through an interpreter, said: "Last year. I had oo experieoce in the major leagues. I hadn't pitched against all the teams, I didn't know the batters. It was very rough. This year, I've been getting

Surely, Irabo is enjoying this turnaround. He is not the Japanese Nolan Ryan, as he was advertised, but be has reached 97 miles per hour (155 kilometers per hour) with his fastball. He is not the stiff who Torre said was not in pitching shape while going 5-4 with a 7.09 last year. Surely, Irabu has been motivated by the abuse he received. He just will oot concede it.

"Last year's criticism hasn't motivated me at all," Irabu said. "My motivation is wanting to do the things to be successful as a starter in the major

Irabu is still robotic when discussing himself, never looking at the questioner and loading up on clichés. He offered one peek into his feelings when he indirectly discussed how nice it is that the hoopla that turned each start into an event in 1997 has subsided. Only about 15 Japanese reporters cover Iraba's starts. down from three times that number.

very focused on baseball," Irabu said. "I get a lot of support being in that atmosphere and having my teammates help focus on baseball." O'Neill added: "There was so much hype when he got here, Nolan Ryan

"This year, the overall atmosphere is

wouldn't have lived up to it. It shows how mentally tough he is. He put that behind him. He's only going to get better.' When Nomura was asked about Irabu blending in with less fanfare this season,

be snapped: "Failure stories sell better

than success stories." Can Irabu get better? O'Neill and Torre said be could. While Irabu probably thinks he can improve, he answered as coyly as someone who was awaiting

an apology. "I wonder," Irabu said. "You know, I wonder about that."

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# SPORTS

#### WORLD ROUNDUP

#### Coach of England **Drops Gascoigne**

SOCCER Glenn Hoddle, the coach of England, axed Paol Gascoigne as he cut his squad to the World Cup limit of 22, British tele-

visioo reported Sooday. Sky News, referring to a media briefing held by David Davies, a spokesman for the team, said at its training camp in Spain that the other players left out were Phil Neville, Andy Hincheliffe, Nicky Butt, the striker Dion Duhlin and the goalkeeper lan Walker.

Gascoigne, 31, was the only member of the squad with expe-rieoce of the World Cup finals. He played in the 1990 semifinal. (Italy Goalie Is Out, Page 26)

#### Zulle Increases Lead

CYCLING Alex Zulie tore through the individual time trial at the Tour of Italy on Sunday to open up a substantial overall lead.

Zulle covered the 40 kilometers (25 miles) in and around Trieste in northern Italy in 44 minutes, 38 seconds for his third-stage victory. Sergei Gontchar, another time-trial expert, was second 53 seconds back. Zulle leads Pavel Tonkov hy 2:02 io the overall standings. (AP)

#### Raiders Draftee Dies

FOOTBALL Leon Bender, a defensive tackle who signed with Oakland this month after being taken by the Raiders in the second round of the National Football League draft, was found dead Saturday in the bathroom of his agent's home in Marietta, Georgia, a suburh of Atlanta. The cause of death was not known, but the police said they do not suspect foul play.

Beoder had epilepsy, said a spokeswoman for Washington State University where he played on the football team. It was not known whether that contributed to his death.

• The defensive end Pat Swilling, once an NFL Defensive Player of the Year, is coming out of retirement to rejoin the Oakland Raiders, the team said.

#### Kiwis Crush Sri Lanka

CRICKET New Zealand beat Sri Lanka hy 167 runs on Sunday in the first test in Colombo. Paul Wiseman, an off-spin bowler, took five wickets and Daniel Vettori, a leftarm spinner, took three as Sri Lanka collapsed.

#### Low Scores in Hamburg

GOLF Paul Broadhurst and Darren Clarke shared the lead Sunday after the third roood of the Deutsche Bank Open in Hamhurg. Both shot 65s for 54-hole aggregates of 198, 18-under-par. Lee Westwood hroke the course record with a 61 and is third.

# It's Showdown Time For Hingis and Venus

Both Breeze to Set Up Quarterfinal; Rios of Chile Beats Costa in 4 Sets

By Christopher Clarey International Herald Tribune

PARIS - They shared the same flight from Florida, the same hotel and the same

plan: to meet in the women's final. But the paths of the Williams sisters diverged Sunday, and it is clear that the gap in age between the 17-year-old Venus and 16-year-old Serena is also a

gap in maturity.

A more poised and polished player would have found a way to finish off Arantxa Sanchez Vicario in the fourth

#### THE FRENCH OPEN

rouod, hut although Serena led, 6-4, 5-2, and served for the match at 5-3, she could oot keep her edge or her nerve.

By the time the last unforced error had been recorded, she had lost 6-3 in the third set to the fourth-seeded Spaniard, who has made a career ont of chasing down balls that others would have let bounce twice. Sanchez Vicario has wrung every milliliter of potential out of her unexceptional frame and lessthan-spectacular game.

"It's something I have in myself," she said, "People know they have to close it out against me."

In this instance, Sanchez Vicario had eveo more desire than usual to keep this American teenager from joining her older sister in the quarterfinals of her first French Open. The Williamses have ruffled a few tennis dresses in their short careers, and Serena ruffled Sanchez Vicario's in the final game of the first set wheo she ran forward and scooped a

dropshot off the clay.

She eoded up winning the point, but Sanchez Vicario — convinced that her drop shot had bounced a second time began protesting to the chair umpire as the crowd jeered. Serena hustled over



Marcelo Rios concentrating on a shot Sunday against Albert Costa.

and shouted at Sanchez Vicario to make herself heard above the din.

"I was just saying, 'Arantxa, Arantxa. One bounce.' "Serena said. But Sanchez Vicario took umbrage at her aggressive tone, and after the Spaniard lost the set on the next point by knocking a forehand volley long, she was convinced that justice had not been dooe. A short hall that Serena knocked in the direction of her face when she was at net later in the match did not improve her mood.

"I just think she doesn't have any respect for the person who is across the net, and I'm glad I beat her," said Sanchez Vicario, who will face Party Schnyder, an unseeded Swiss player, in uesday's quarterfinals.

Not surprisingly, Serena had a dif-ferent view of the afternoon's events, and shared the view, widely held on tour, that Sanchez Vicario has a difficult time accepting the opinions of linespeople and chair umpires.

Every time I see her play a match, she always argues about almost every call," Serena said. "So I would have been surprised if she didn't do it against

There were few surprises in the earliwomen's fourth-round matches. World No. 1 Martina Hingis was the first to advance with a 6-1, 6-2 victory over Anna Smashnova of Israel, and though Hingis jokingly clasped her hands together and looked skyward in the hopes that Venus would lose against Henrieta Nagyova of the Slovak Republic, her prayers were not answered. After Venus Williams's 6-1, 6-3 vic-

ory, the quarterfinal match that Paris had been bracing for since the draw was announced became a reality. Hingis and Williams have played four times this season already, and each

has won twice, although Hingis won in three sets in the Italian Open final and has to be a slight favorite on clay. "It was a good victory for me to beat her in three sets in the finals of a hig tournament; I hope she will remember

#### Monday's Top Matches

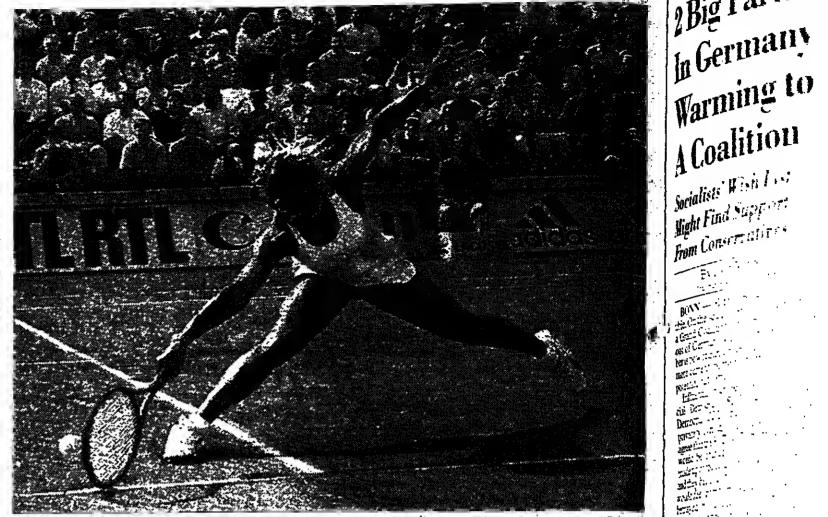
that," Hingis said.

Codric Pioline vs. Marat Safin France's last hope likes speed from the baseline, but he has rarely seeo the kind of pace that Safin generates at age 18.

Alberto Berasategui (16) vs. Hicham Arazi Two physically small meo with hig doses of creativity. Alex Corretja (14) vs. Jason Stol-

there The Americans are gone, but one Australian remains. Unfortunately, Spanish, oot English, remains the lingua franca on clay.

Filip Dewulf vs. Francisco Clavet Dewulf has proved that last year was no fluke, but can he get back to the semifinals without qualifying?



Serena Williams stretching for a backhand against Arantxa Sanchez Vicario on the Suzanne Lenglen Court.

Hingis made a point of down-playing her fast-developing rivalry with Williams. "I'm almost three thousand points up in the rankings, so you can't really say there are rivalries for me,"

Although no American man advanced past the third round at Roland Garros for the first time in the open era, three American woman reached the quarterfinals: Venus, the No. 2 seed indsay Davenport and the No. 6 seed Ionica Seles.

Davenport, no clay-court specialist, survived a poteotially tricky encounter with the No. 14 seed, Sandrine Testud of France, on center court, 6-3, 4-6, 6-2. Seles, who has been sharp despite missing training because of the recent death of her father Karolj, beat Chanda Rubin, another American, 6-1, 6-4.

Seles will face the winner of Sunday night's match between Jana Novotna and Anna Koumikova, which was suspended because of darkness with Novotna leading, 4-2, in the decisive third set. Kournikova played the final game, which she woo, in tears, apparently because she had been denied a bathroom

Davenport will meet the winner of the match between Conchita Martinez and the defending champioo, Iva Majoli, which was also suspended Sunday night at ooe set all.

There is no defending champion left in the meo's event, only future champions. On Sunday, Marcelo Rios of Chile took a step toward winning his first Grand Slam event by beating Alhert Costa of Spain, 4-6, 6-4, 6-3, 6-3.

Rios, the No. 3 seed, and Costa, the No. 13 seed, were supposed to play in the Italian Opeo final two weeks ago. but a wrist injury to Costa kept that match from taking place. Costa was in fine health for this fourth-round match, and he played a brilliant first set, hut Rios is the most complete player left in this tournament and his speed, angled ground strokes, clever serving and timely oet-rushing eventually wore down Costa's considerable strengths.

When Costa led, 4-2, in the second set, he was the one dictating pace from the baseline. But then Rios began pushing forward and taking the ball earlier. It was enough to regain the edge and reach his first quarterfinal at Roland Garros. Rios's next match will oot offer him

any respite. Carlos Moya, who beat Jens Knippschild of Germany on Sonday, won the clay-court event at Moote Carlo this seasoo and is, like Rios, a former Australian Open finalist.

In the other quarterfinal in the top half of the draw, Felix Mantilla of Spain will face Thomas Muster of Austria, Moster defeated Fernando Meligeni of Brazil in four sets and has not advanced this far at

Roland Garros since he won the event in similarly slow and heavy conditions in 1995. Mantilla beat Ramon Delgado,

the Paraguayan who npset Pete Sampras, in straight sets.

Mantilla's friend and practice peri-oer, Alex Corretja, the No. 14 seed from Spain, had a much more difficult time in the third round against Hernan Guny of Argentina. When rain stopped their match on Saturday night, Correija was down two sets to one. When they resumed play on Sunday afternoon, Corretja won the fourth set and jumped out to a 5-1 lead in the fifth, only to watch Gumy swashbuckle his way even.

In the eod, Corretja would win this five-and-a-half hour match 9-7 in the final set, and share a loog and emotional embrace with Gumy at the net. "I told him that he is a great person,"

Gumy said. Several hours later, when Serena Williams and Sanchez Vicario finally shook hands, there would be no similar exchange of pleasantries.

#### FRENCH OPEN

ms. U.S., def. Dominique Van Roost (15).

Serend Wilkiams, U.S., del. Dominique Van Roost (15), Betg., 6-1, 6-1/ Patty Schryder, Switz, del. Silvia Farlac, It., 6-2, 6-1; Conchita Martinez (7), Sp., def. Virginia Rotton-Procural, Sp., 6-1, 6-2; Mayul Serna, Sp., def. Rutandra Dragoniir, Rom., 6-4, 2-6, 6-1;
Ararba Sanchez Vicanto (4), Sp., def. Ale-kandra Fasol, Fr., 6-2, 6-1; Iva Majol (10), Cra., def. Martana Diaz-Oliva, Arg., 6-2, 7-6 (7-2); Sandrina Testud (1-4), Fr., def. Gala Leon Garcia, Sp., 6-1, 6-1; Lindsay Davenport (2), U.S., def. Ejera Likhoviseva, Rus., 7-5, 7-5.

FOURTH ROUND
Martina Hingla (1), Switz, def. Asria Smashnova, Isr., 6-1, 6-2; Venus Williams (8), U.S., def. Henricka Nagyova, Storatka, 6-1, 6-2; Lindsay Davenport (2), U.S., def. Sandrina Tastud (14), Fr., 6-3, 4-4, 6-2; Patty Schmyder, Switz, def. Mage Soma, Sp., 6-1, 6-3.

Monico Seles (6), U.S., del. Chanda Rubin, U.S., 61.6

gentina 6-4 0-6 6-4 7-6 (7-3); Cedric PI Richard Knajloek (10). Neth., 6-3, 6-2, 7-5, Richard Knajlaek (10), Noth., 6-3, 6-2, 7-5, Alberto Berasategul (16), Sp., del. Domini Skrvakia, 6-7 (2-7), 6-3, 7-5, 7-5; Marat Salles Ri

Storyton 6-7 (2-7), 6-3 7-5, 1-3 minut super recommendation of the comment of the

Feix Manilla (15), 5p. def. Ramon Delgada, Paragun 6-2, 6-2, 6-4; Thomas Musler, Austria, def. Fernando Ma Rigent, Braz., 6-4, 6-7 (8-10), 6-3, 3-6, 6-3. Corlos Moyo (12), Sp., det. Jens Knippschild. Germany. 6-3, 7-5, 3-4, 6-4: Marcelo Rios (3), Chile def. Albert Costa (13), Sp., 4-6, 6-4, 6-3, 6-3.



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